Measuring impacts for competitiveness of SUSTAINABLE ECONOMIC ZONES (ECO INDUSTRIAL PARKS)



SEZs are demarcated geographical areas within a country's national boundaries where the rules of business are generally more liberal than those that prevail in the national territory

Typically, "special" in 4 areas (vs domestic environment):

Infrastructure	Customs regime	Regulatory regime	Value-added services	
 access, quality / reliability, sustainability 	 efficient customs; duty / VAT free 	• efficient licensing, planning; flexibility	 skills centers, business services, security, etc. 	

A High-Level Conceptual Framework





The development of SEZs/EIPs is a long-term strategy that requires private sector's involvement to determine the market failures to be addressed

Potential Enablers

- Ensure good logistics
- Foster a conducive business environment with a reform-oriented mindset (use SEZs to pilot policy reforms)
- Increase the market contestability through a rigorous market demand assessment and private sector participation
- Maximize the positive spillovers through an inclusive and sustainable approach

Potential Hurdles

- Lack of strategic planning and demand-driven approach
- Fail to address the critical market and government failures (such as infrastructure and government coordination)
- Poor policy and legal environment and weak implementation capacity
- Inability to mitigate the environmental and social risks

Source: D. Zeng, The Dos and Don'ts of Special Economic Zones, World Bank, 2021



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SEZs have been used by many developing countries as a policy tool to promote industrialization and economic transformation; global trends also seeing shifts in SEZs towards green and resilient industrial parks

Global trends for sustainable growth:



5 400 5 0 0 0 The number of SEZs is 5,383 zones in 147 economies. Among those zones, most are multi-activity zones. Industry-specialized zones and zones focusing on innovation are concentrated in more advanced emerging markets. Zones in most developed countries are regular zones and focus primarily on logistics. 2006 200 2014 2018 Source: UNCTAD The trend is indicative only. Historical estimates are based on ILO (2014) for 1975, 1986, 1995, 1997, 2002 and 2006; FIAS (2008) for 2008; The Economist (2015) for 2014: and UNCTAD for 2018. Scope and definitions of the various estimates across years may diffe Number of Countries with SEZs Estimated SEZ global exports Number of SEZs in the world Asia 130 \$200 billion 3,500+ Asia has more than 85 percent of all EPZ workers worldw Furop SEZs account fo United States about 22 percent of China's GDP, about 46 percent of FDI, Over 100,000 manufacturing and about 60 obs have been created in percent of exports the Dominican Republic, with the United States being its SEZs are responsible for 50 percent of in export market There are 143 Central America's exports functional SEZs in **Caribbean Region** idia, one-quarte East Central America f which are in the 0 and Mexico North Africa Over 20,000 comp participate in the close to Estimated Number of Workers 200 special economic, trade ent and related zone 60.000.000 South across the UAE Sub-Saharan Africa America . . Indian Ocean 20.000,000 1,000,000 . Known Chinese SEZs in Africa Pacific 500,000 **N SEZS ANNUAL MEETING** Since 2000, China has invested 100,000 an estimated \$5 billion in the KENYA | NOVEMBER 27 - 29, 2024 construction of more than one dozen SEZs across Africa in Number of Export Processing Zones (EPZs) which more than 200 Chinese companies operate 1 50 100 300 600 900+





Climate and Competitiveness: Identifying The Critical Correlations

Understanding the three main forces that are acting on the private sector to foster the adoption of mitigation and adaptation solutions is the first steps to frame the nexus between climate and competitiveness



Which actions should SEZs and individual firms take to facilitate their integration in global sustainable value chains?







Carbon Credits at Zone and Firm Level depending on green investments

Zone level				
Eco-Industrial Park (WBG) Low Carbon Zone (ISO 14064) Business Continuity Framework (WBG)	Firm Level Energy Management System (ISO 50001) Safety and Resilience (ISO 22316) Environment Management System (ISO 14001) Low Carbon Firm (ISO 14064)	<section-header><section-header><text></text></section-header></section-header>	Value Chain Low Carbon Products (ISO 14067) Circular Economy (ISO 59000)	
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Integrated Sustainable Global Value Chains

Eco-industrial parks (EIPs) have emerged as a model to better manage environmental aspects in zones, while deriving competitiveness benefits from more efficient and sustainable industrial practices.



Source: World Bank (2021)





World Bank has developed the International Framework for EIP to better define their performance requirements

The Eco-Industrial Parks Framework (2021) consists of 64 benchmarks including pre-requisites and performance indicators in 4 performance areas.



Overall International Framework for EIPs

Source: UNIDO, World Bank, GIZ 2021.

dicator	Unit [Target value]	Results
of at least 10% of the total (Scope 1 and 2) at park level is percentage of firms that have a y efficiency certification (LEED, DGNB or ISO 50001 or their lent).	Percentage of CO ₂ emissions covered by the firms with energy management certification [10%].	Below 10%
e energy use of electricity and n in the industrial park is equal an the renewable energy share ational electricity mix in the grid.	National grid emission factor ^[1] \geq the combined CO ₂ ^[2] emissions intensity as per unit of produced and purchased heat and electricity for use by EIP firms.	Above the national grid
otal industrial wastewater from used responsibly within or ustrial park.	Percentage of water reused or recycled/total water consumed [25%].	Below 25%
nanufacturing firms adopting ny practices, including industrial Symbiosis Network in ively exchanging secondary raw aste, or other circular economy	Percentage of tenant firms participating in CE practices [20%].	Below 20%



From SEZ to EIP



Certain EIPs have experienced growth and significant environmental benefits

Through a PPP, the Korea Industrial Complex Corporation (KICOX) has achieved a cumulative cost reduction and revenue increase of \$554 million through EIP infrastructure.







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THANK YOU

