

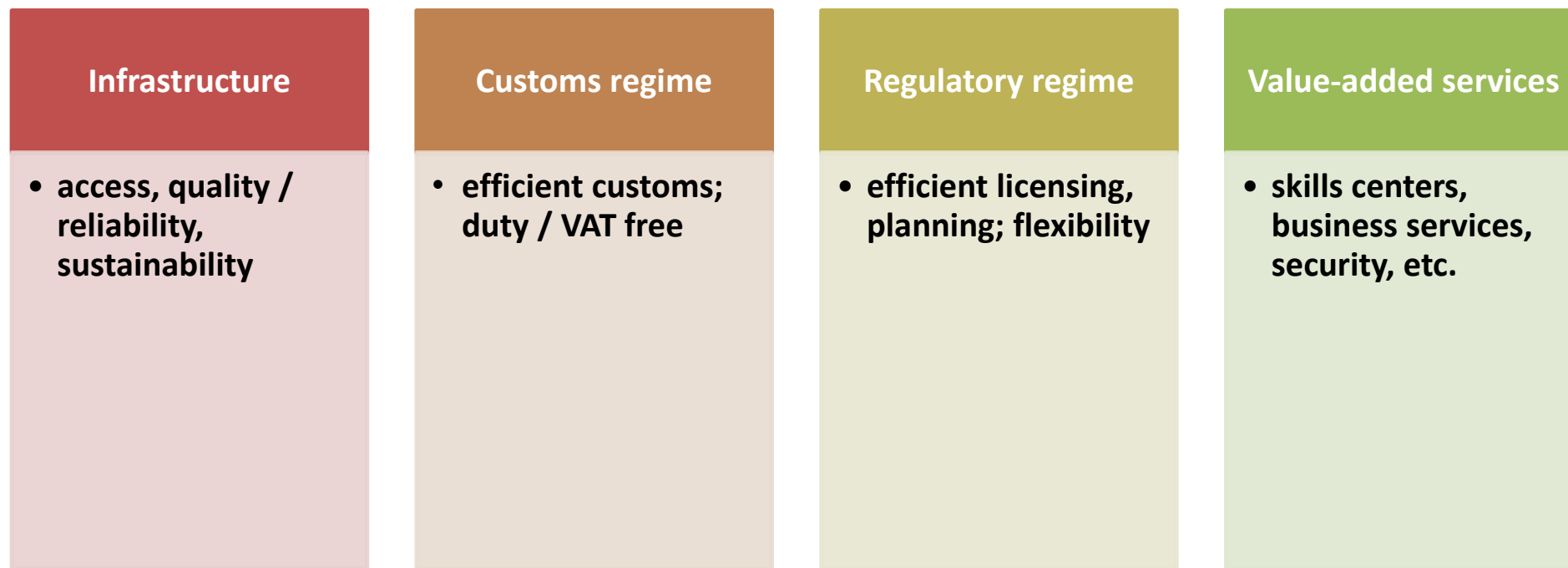
Measuring impacts for competitiveness of SUSTAINABLE ECONOMIC ZONES (ECO INDUSTRIAL PARKS)



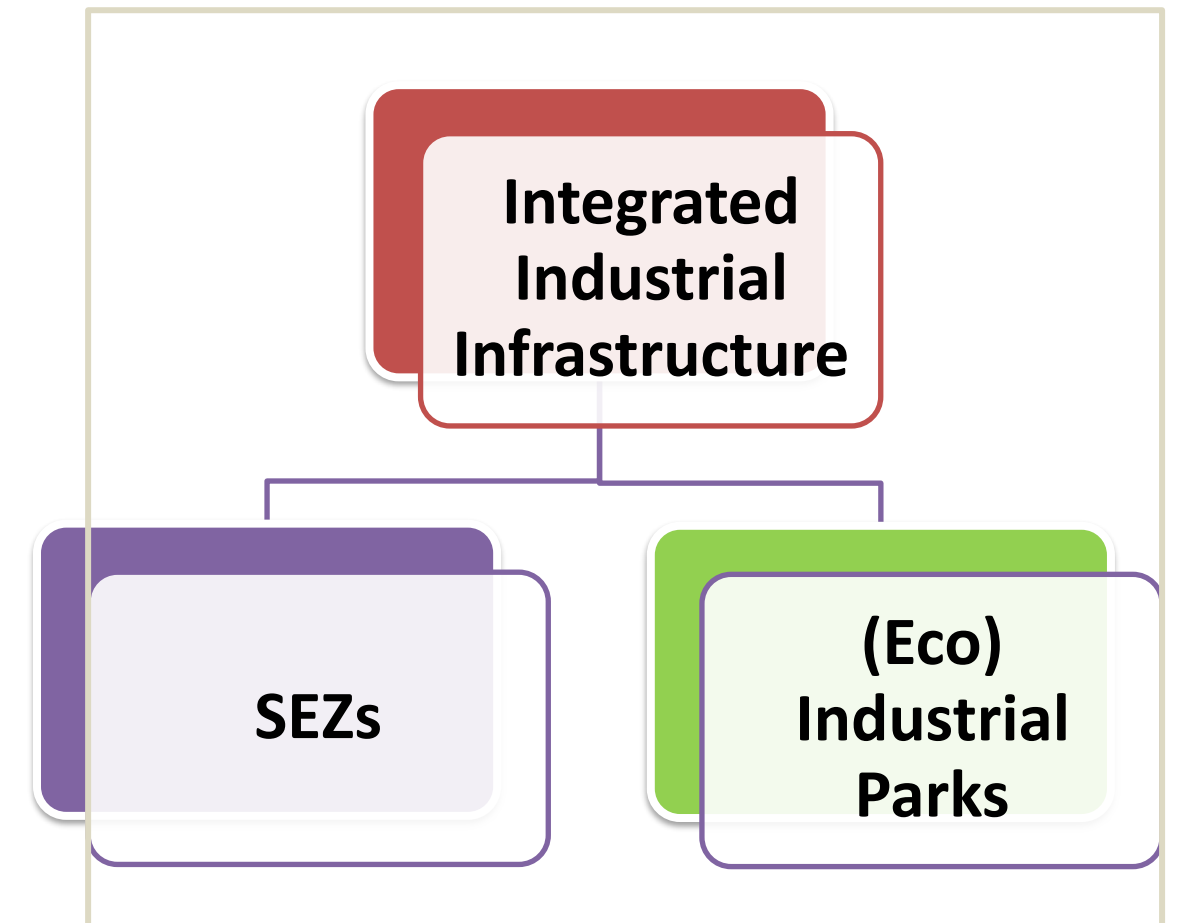
AFRICAN SEZs ANNUAL MEETING
NAIROBI - KENYA | NOVEMBER 27 - 29, 2024

X 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):



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

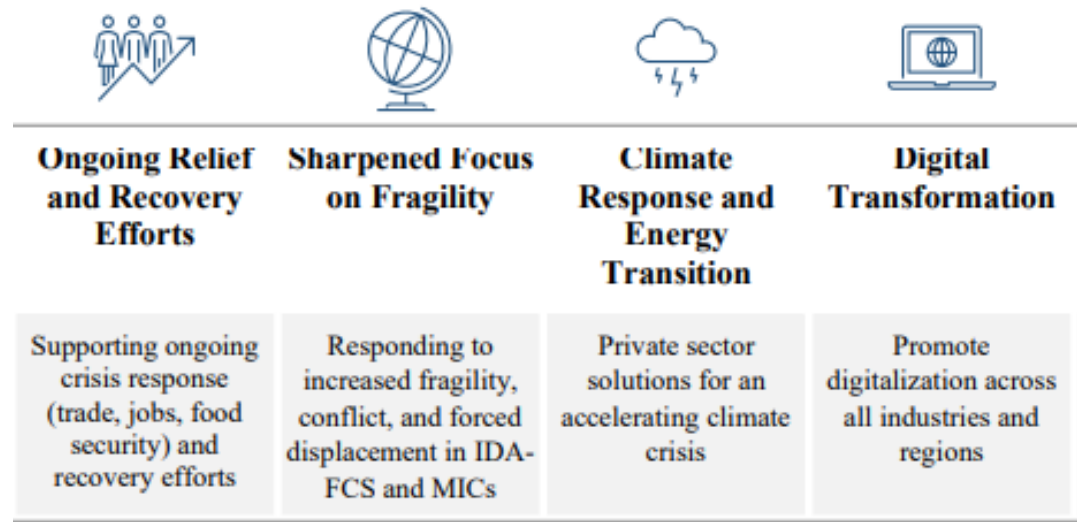
Source: D. Zeng, The Dos and Don'ts of Special Economic Zones, World Bank, 2021





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:

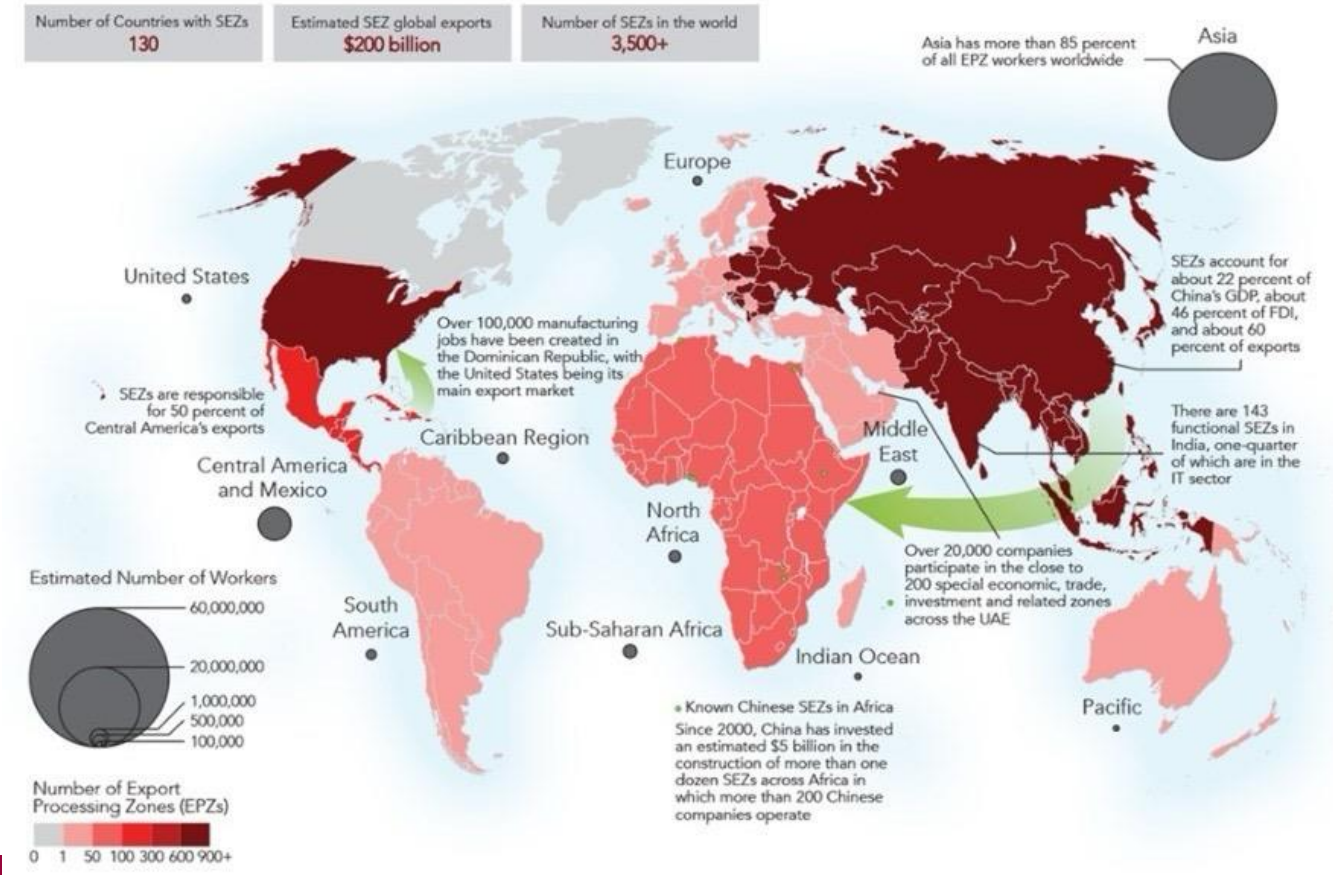
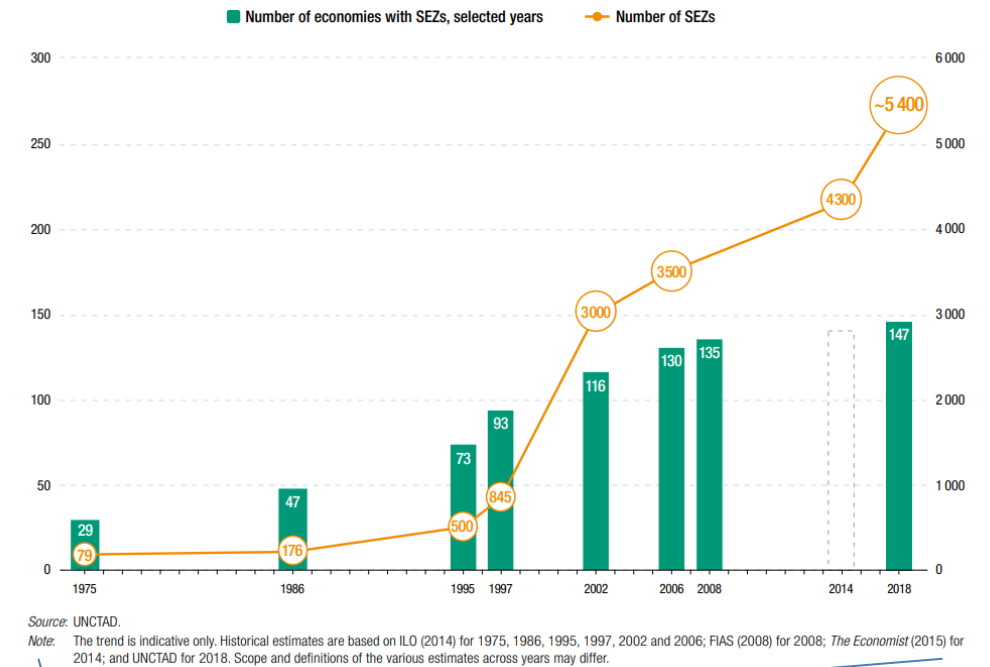


Impacts of global trends on Industrial Park programs:

- Going Sustainable: Eco-Industrial Parks (EIPs)
- Going Digital: Industry 4.0
- Nearshoring: Covid-19 global response



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.

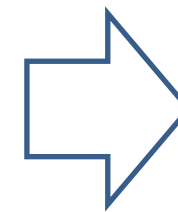


X Climate and Competitiveness: Identifying The Critical Correlations

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



- DECARBONIZATION TAX ON EXPORTS (ex. EU CBAM)**
- NATIONAL DETERMINED CONTRIBUTION**
- INTERNATIONAL BUYERS' EMISSION PLEDGES (including Scope 3 emissions)**



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



X Potential Certifications at zone and firm level

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 \(ISO 14064\)](#)

Building

[EDGE](#)

LEED

Other Green Building Certifications

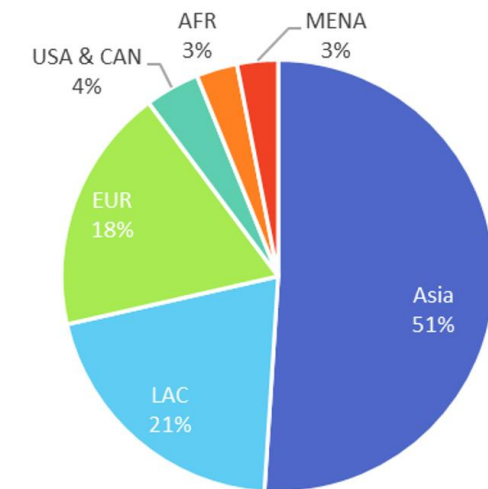
Value Chain

Low Carbon Products (ISO 14067)

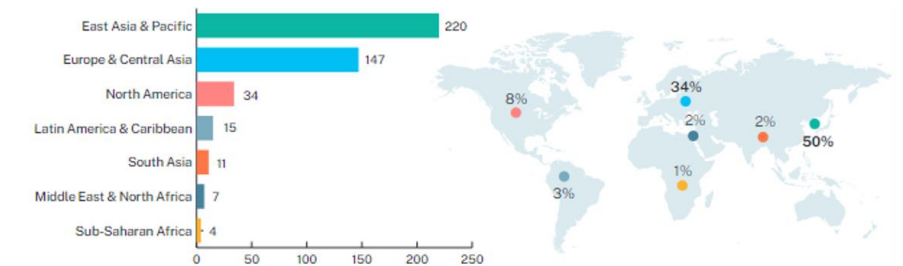
Circular Economy (ISO 59000)

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)

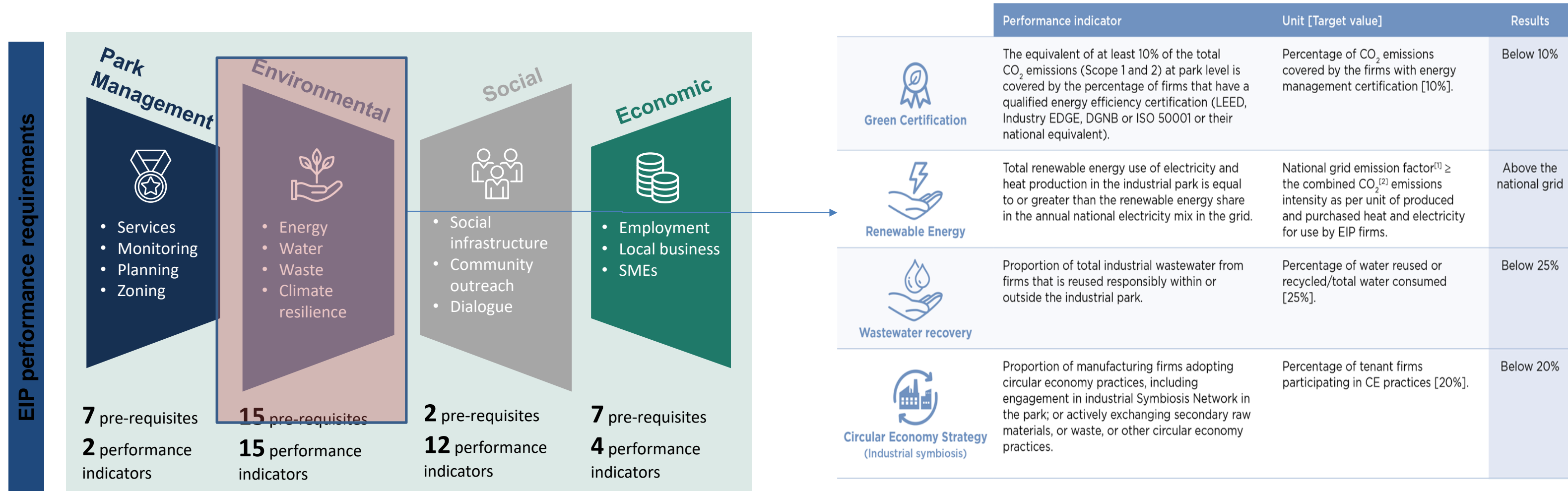




World Bank has developed the International Framework for EIP to better define their performance requirements

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.



X From SEZ to EIP

SEZ

Measuring, Reporting, Verification (MRV) System

Upgrading Social and Climate Infrastructure (ACCESS TO CLIMATE FINANCE)

Climate and Social Certification



Benefits

Attractiveness for new investments: Plug & Play, integration in sustainable value chains

Improved reliability and competitive services: More Profitability, Easier Access to (Climate) Finance

Measurable social, economic, environmental impacts: Quantitative Performance Indicators



X 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.

Ulsan Yong- Yeon Steam High- Way Project

1

ECONOMIC

- ▼ \$87.4 million/yr costs
- ▲ \$144.5 million/yr revenue
- ▲ \$191.4 million investment

2

ENVIRONMENTAL

- ▼ 16.8 Ton/yr water consumption
- ▼ 91.6 Ton CO₂-eq/yr GHG emission

3

SOCIAL

- ▲ 406 jobs created



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THANK YOU