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### Eco-Industrial Parks as a Framework for Circularity and Efficiency Promotion in Industry

Action implemented by:







WORLD BANK GROUP



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### What is an Eco-Industrial Park?

"An EIP can be defined as a managed industrial area that promotes cross-industry and community collaboration for common benefits related to economic, social and environmental performance.

The EIP concept has evolved to address interrelated aspects, including, for example: resource efficient and cleaner production, industrial symbiosis, climate change, pollution, social standards, shared infrastructure, improved management of risks and shared resources, including land and ecosystem services. An interdisciplinary approach is required to optimally realise EIPs."



International Framework for Eco-industrial parks (UNIDO, IFC, GIZ)

In short, the EIP concept is about creating more resource-efficient and cost-effective industrial parks which are more competitive, attractive for investment and risk resilient.



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# Key benefits of eco-industrial parksReduce:Increase:

- Procurement costs
- Environmental, economic and social risks
- Use of materials, water, energy
- Waste
- Greenhouse gases
- Resource use
- Pollutants

- Competitiveness and profitability
- Attract investment
- Security of resources
- Good-quality jobs
- Workers health and safety
- Access to technologies and finances
- Resilience and business continuity
- Quality of life for communities
   Park management and government
   Beneficiaries
   Industries
   Local communities



### Many practical examples exist





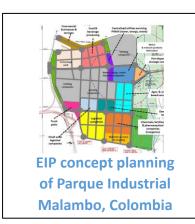


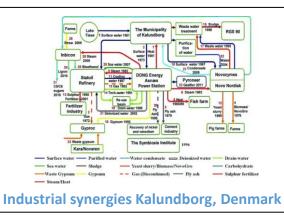


Ecoplus' extended park management services to 17 industrial parks in Austria

e.g. Investor service hub, industry network creation, research and innovation centres

Community development initiatives in the Kwinana Industrial Area, Australia







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#### Funded by the European Union

### **International Framework for Eco-Industrial Parks**

Process of continuous improvement: Going beyond the minimum EIP requirements

Park management	Environmental	Social performance	Economic
performance	performance		performance
<ul> <li>Park management services</li> <li>Monitoring</li> <li>Planning and zoning</li> </ul>	<ul> <li>Environmental management and monitoring</li> <li>Energy management</li> <li>Water management</li> <li>Waste and material use</li> <li>Natural environment and climate resilience</li> </ul>	<ul> <li>Social management and monitoring</li> <li>Social infrastructure</li> <li>Community outreach and dialogue</li> </ul>	<ul> <li>Employment generation</li> <li>Local business and SME promotion</li> <li>Economic value creation</li> </ul>



https://openknowledge.worldbank.org/handle/10986/35110

Question: Who is already familiar with the International EIP Framework?



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### International Framework for Eco-Industrial Parks Objectives

- Create common understanding of Eco-Industrial Parks
- Identify improvement opportunities, optimise existing industrial parks
- Monitor and assess operational performance of existing industrial parks
- Inform investment decisions, funding and due diligence studies
- Gain recognition and build market profile
- Serve as a practical framework to support decision making

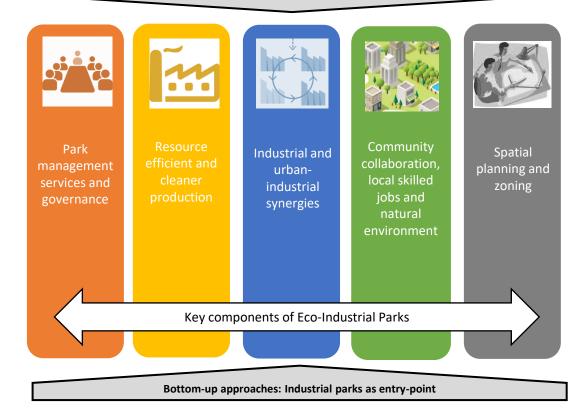




### Key components of eco-industrial parks



Top-down approaches: Governmental agencies as entry-point





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### **Overview of UNIDO's EIP Tools**

#### Planning tools Park level

EIP Concept Planning Tool Assist in sustainable design of an industrial park

Master Plan EIP Review Tool Guide sustainability review of existing Master Plan Implementation support tools Park level

EIP Assessment Tool Assess park against International EIP Framework and identify EIP opportunities

EIP Management Services Tool Strengthen and advance services provided by park management to tenant companies

Access to Finance Tool Identify, review and access available financing options for feasible EIP initiatives

Industrial Symbiosis Identification Tool Support the identification of waste exchanges between companies Implementation support tools Country level

EIP Selection Tool Select parks with high potential for EIP development and successful EIP projects

EIP Policy Support Tool Support EIP policy development and implementation processes

#### Monitoring tools Park level

RECP Monitoring Tool Monitor and report results of RECP assessments in industrial parks

EIP Opportunities Monitoring Tool monitor and report impacts from EIP opportunities in industrial parks

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UNIDO's EIP Toolbox is available online: https://hub.unido.org/eco-industrial-parks-tools

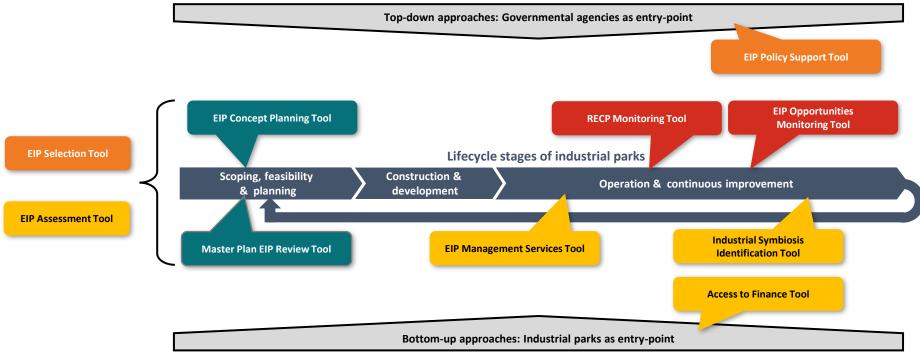
Question: Who is already familiar with some tools?







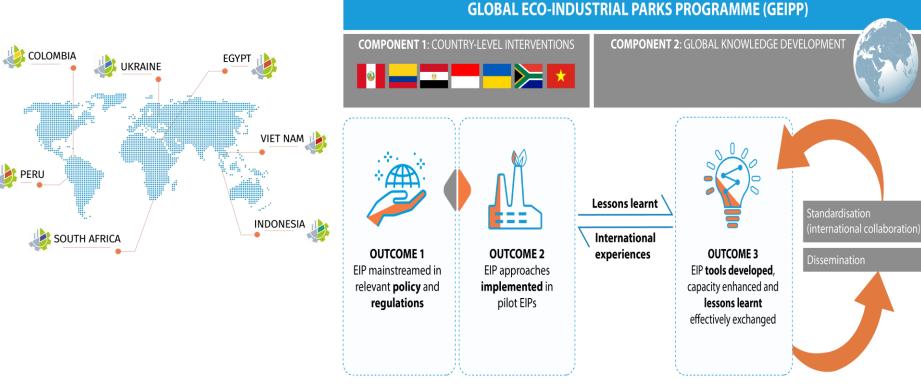
#### CONTRIBUTION OF TOOLS TO EIP TRANSFORMATION PROCESSES

















#### **GEIPP Lessons Learnt Series Reports and Best Practice Series**



UNIDO's EIP Resources are available online: https://hub.unido.org/eco-industrial-parks-tools







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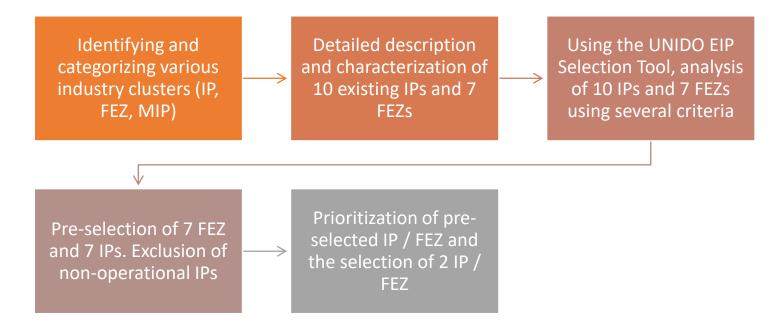
2. EIP Feasibility Assessments Brief Overview







#### EIP Feasibility Assessment in Moldova Selecting two IPs/FEZs



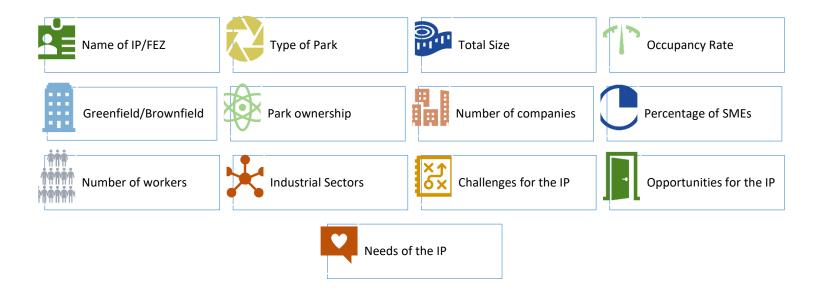






#### Industrial Parks/FEZs

Categorisation Criteria – Baseline Understanding all the IPs/FEZs







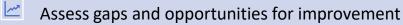


#### EIP Feasibility Assessment: 2 IPs/FEZ



Undertaken by international experts

Assess the IPs performance against various indicators and the criteria for: Park Management, Environmental, Social & Economic impacts





Identify opportunities for IS and RECP on the IP/FEZ through interactive, collaborative workshop



Provide a work-plan and a roadmap for implementing EIP







#### Review of IP Tracom against the international EIP framework

Of the 64 indicators (EIP framework v3), IP Tracom currently

- Meets (Yes) 23 indicators,
- Does not meet (no) 39 and are
- Considering/yet to confirm 2 indicators.

Intended performance of IP Tracom (based on achievability, benefit and interest)

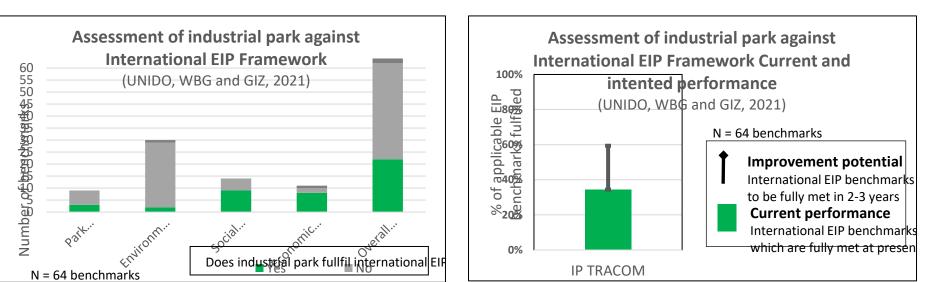
- Meet (Yes) 38 indicators
- Not meet (no) 22 indicators
- Yet be considering 4 indicators.







#### **IP Tracom** Summary of EIP assessment









## **EIP Priority Opportunities - Summary**

7 of the identified 16 opportunities were identified as 'high priority', based on:









Ease of implementation (low hanging fruit) Highly important/ significant Savings Low cost or high potential of return on investment High priority for the Industrial Park (including compliance)







- Park Management
  - Monitoring and risk management
    - Creating a legal register outlining main laws related to Industrial Parks -including what an IP must do as well as for residents – focusing on their duties and responsibilities. IP to develop a short communication policy
  - Park management (Performance Indicator)
    - Contracts with tenants need amendment to ensure tenants are made responsible and liable for legal obligations such as waste, water, energy use, etc. IP administration to also create a "Park - Code of Conduct" to supplement the contract. This could be a medium-term plan so as to not cause huge changes for tenants who have been facing negative impacts of pandemic and war







- Environment
  - Management and monitoring (updated records on energy, water, waste products, and materials inefficiencies and needs at tenant firms)
    - IP administration to record energy (per unit e.g., tonne of product or number of employees) tied with other environmental data such as waste (type and volume per company to check on Industrial Synergy), water use and discharge (as well as quality). The local companies in Digital Hub could support too e.g., in remote monitoring of energy, creating tools to monitor and measure waste
  - Waste and material use (waste and hazardous waste)
    - Ensure sufficient and suitable clauses in agreements (between IP and tenants) on waste management including hazardous waste. If agreements cannot be modified, include them in 'code of conduct'. Furthermore, ensure that the sub-tenants of the park's tenants have equal liability and responsibility on waste management.



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- Environment
  - Energy (firm-level energy consumption is monitored)
    - Energy used by individual tenants/firms should be monitored corresponding to consumption or production e.g., turnover, production volume, employees, etc. This is recommended since it allows the IP and tenant companies to understand energy use against a baseline.
  - Water supply and wastewater (Industrial wastewater generated is treated in accordance with appropriate environmental standards)
    - Water discharge to be strictly monitored and companies that exceed national legal norms to comply by ZLD, CETP, WWTP. IP should consider investing in a Secondary or tertiary WWTP that can support reuse on site



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- Social
  - Social infrastructure (Surveyed employees report satisfaction with social infrastructure)
    - Develop a satisfaction survey that can be used as a template by all tenants
- Economic:
  - None in high priority







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### 4. Barriers and Drivers to EIP







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#### Drivers and motivators to EIP in Moldova Experiences shared by IP Tracom and FEZ Valkanes



Attractive for investment



Structured programme to organize sustainability of the industrial cluster



Provides a concrete action plan for medium and long term



Inclusive of both tenants and administrators



Has already started creating ideas for sustainability (environmental, social, economic)



Reduce costs and improve efficiency (with concrete examples)



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#### Drivers and motivators to EIP in Moldova RECP and Industrial Synergies

#### Resource Efficient & Cleaner Production

- Improved energy grid and power lines for better efficiency in IP Tracom
- New machinery for construction mesh less energy; less waste
- Smart meter for one company planning to be extended across the IP, including other IoT solutions
- Solar PV on rooftop
- 'Waste' now being used as secondary resource (e.g. pea skin extract as animal feed or compost, or "waste" core product sold to second hand markets)
- Plus many more in early stages of development...



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#### Drivers and motivators to EIP in Moldova RECP and Industrial Synergies

#### • Industrial Synergies

- Combining expertise of 2 digital/IT companies to develop smart solutions for sustainability data that could help increase efficiency up to 30-40%
- Waste limestone from one company (outside the zone) used to line the uneven floor for another company, strengthening the surface during rains
- Shared weighbridge facilities
- And others under discussion...







#### Barriers to EIP in Moldova

- Need specialized laws or by-laws on
  - Resource use
  - Carbon and energy management
  - Waste management
  - Water use and discharge
  - Cleaner production
  - Sustainable Industrial development
- Clearly relay the duties and responsibilities of IPs and industries
- Relevant infrastructure to facilitate EIP (e.g. waste, water..)
- Stronger contracts providing relevant roles, responsibilities, duties and authorities to administration and tenants
- Identifying and assigning implementing, operating and managing agencies
- Ongoing improvement NOT a one-off plan







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#### 5. Next Steps



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#### EIP and Sustainable Industries The Future?

- Industries and sustainability and closely linked as one impacts the other
- Need *stronger action*, especially in emerging economies, to ensure strong growth of enterprises, increase jobs and improve economy, while ensuring sustainability principles
- Remember:
  - Growth does not come at the cost of sustainability → and sustainability will not come at a cost of growth.







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### Thank you!

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