



# Global Eco-Industrial Parks Programme (GEIPP)

## Rationale

For over two decades, SECO has been supporting partner countries to increase competitiveness and productive capacity of their industry through the implementation of cleaner production and application. During this time, early cleaner production approaches has developed into a more comprehensive Resource Efficiency and Cleaner Production (RECP) programming. While the programme has been successful, in order to reach even more environmental and resource benefits, RECP methods and techniques are required to step up both in pace and scale.

Industrial parks (IPs) have played an important role in the economic growth of many developing and advanced-developing nations. However, in spite of its potential contribution, IPs also have the ability to cause negative environmental and social impacts, such as input to climate change, pollution, resource depletion, labor issues and community disruption. Derived from RECP programming, Eco-Industrial Park (EIP) concept has increasingly been recognized as an effective tool to address inclusive and sustainable industrial development, which also respond to challenges related to IPs negative environmental and social impacts.

An EIP consists of industrial and service businesses located together on a common property. Since 2014, manufacturing companies are required to operate in industrial estates or IPs in Indonesia—resulting in significant increase of the number of IPs. However, the number does not go hand in hand with development of sustainable IPs. Challenges remain due to limited awareness of the benefits of RECP and EIP approaches, ineffective policy and regulatory frameworks that promote EIP development, limited financial mechanisms, and insufficient service providers. Addressing the gap, under close collaboration with Indonesian Ministry of Industry (MoI) and Ministry of Environment and Forestry (MoEF), GEIPP Indonesia was developed to build on lessons learnt from RECP and EIP approaches in order to reach out to even more companies and help them improve their resource use efficiency as well as their environmental, economic and social sustainability, while minimizing transaction costs.

## Objectives and activities

The main goal of the GEIPP is to show the practicality and benefits of EIP techniques in increasing resource productivity and enhancing economic, environmental, and social performance of businesses. In addition, GEIPP seeks to mobilize additional funding to expand the use and adoption of EIP. In order to leverage investments and contribute to inclusive and sustainable industrial development, private sector participation will be encouraged in this context. By going beyond optimizing individual business performance, companies within an EIP is expected to work together and in close cooperation with the surrounding community for achieving collective economic, environmental, and social benefit.

### Country/region

Global  
(Colombia,  
Egypt,  
Indonesia,  
Peru, South  
Africa,  
Ukraine, Viet  
Nam)

### Executing agency

UNIDO

### Project duration

2020-2022

### Total budget

CHF  
17,184,395

### Budget Indonesia

CHF 1,559,393

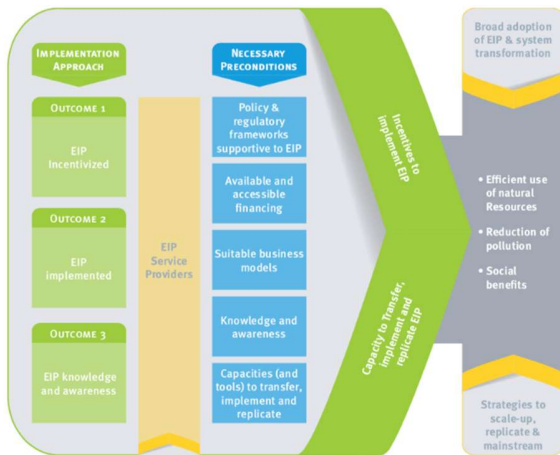


Figure 1. GEIPP Theory of Change

GEIPP Indonesia will focus on EIP development at three levels: *macro level* (policies and frameworks development for national and local government), *meso level* (strengthening of national institutions relevant to EIP development) and *micro level* (EIP development and strengthening of IPs and its tenant companies). GEIPP activities include: knowledge sharing; capacity-building; and in-depth intervention consisting of technical assistance (e.g., RECP assessments, feasibility studies of industrial synergies), advisory services (e.g., participation in industrial synergy events) and/or capacity-building for park management.

### Governance structure

At the provincial level, the Mol will appoint an EIP manager who will serve as the main point of contact between ministries, provincial governments, and park management bodies. Two Country Specific Steering Committee (CSSC) meetings will be organized each year to provide direction on the implementation of the programme in the country. The CSSC consists of representatives from SECO-Jakarta office, key government counterparts in the country (Mol), UNIDO Indonesia and Headquarter, and the designated country-level programme manager and Chief Technical Advisor.

### Results to date

Based on park selection exercise which carried out in 2019, two model IPs has been selected for Indonesia i.e., *MM2100 Industrial Town* (Bekasi, West Java Province) and *Batamindo IP* (Batam, Riau Islands Province). Capacity-building and technical cooperation efforts are being provided to both parks. In addition, interested industrial park representatives—among those assessed during the initial scoping phase—will be invited to attend capacity-building activities to increase their knowledge and raise awareness on EIP among all IPs in Indonesia.

In October 2020, GEIPP was officially launched following activities undertaken since July 2020, including the formation of CSSC on August 2020. Adapting to COVID-19 situation, training, capacity-building activities, and advisory services in the selected IPs and for the stakeholders of EIPs, EIP Policy Tools, RECP, and Industrial Synergy, have been sustained and organized using digital solutions and technologies.

In 2021, based on the stakeholder analysis and review of existing polies, a draft EIP policy action plan has been prepared along with updated stakeholder and policy mapping document. A project communication strategy also has been drafted to share information on the project progress, case studies and success stories to the stakeholders and target audiences through offline and online communication channels. In parallel, the process for the GEIPP-Indonesia website development, which will include a bilingual feature, has been initiated.