



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.

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 do 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 favorable for EIP development, limited financial mechanism, 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 learned from RECP and EIP approaches, in order to reach even more companies and enable them to increase their resource use efficiency as well as their environmental, economic and social sustainability, while minimizing transaction costs.

Objectives and activities

Main objective of GEIPP is to demonstrate the viability and benefits of EIP approaches in scaling up resource productivity and improving economic, environmental and social performances of businesses. Additionally, GEIPP seeks to mobilize additional funding in order to widen the adoption and application of EIPs; and private sector involvement will be encouraged in order to leverage investments and contribute to the inclusive and sustainable industrial development.

Country/region

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

Executing agency

UNIDO

Project duration

2020-2023

Total budget

CHF
17,184,395

Total budget (Indonesia)

CHF 1,559,393

SECO contribution

CHF
17,184,395

SECO contribution (Indonesia)

CHF 1,379,994

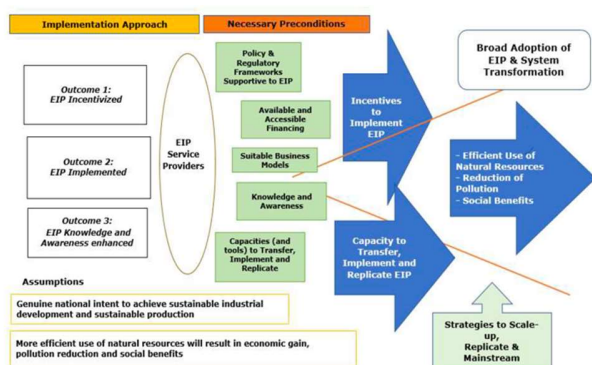


Figure 1. GEIPP Theory of Change

GEIPP Indonesia will target EIP development at three levels: *macro level* (policy and legal frameworks development for national, and local government), *meso level* (strengthening of national support institutions relevant to EIP development) and *micro level* (EIP development and strengthening of IPs and the companies therein). 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

Mol at provincial level will identify an EIP manager who will act as the main contact point between the ministries, provincial authorities and park management authorities. Two Country Specific Steering Committee (CSSC) will be organized per year (only one in 2020) to provide guidance for the implementation of interventions in the country. The CSSC will consist of representatives of SECO-Jakarta office, the designated country level intervention manager, the Chief Technical Advisor, key country beneficiaries (Mol and/or other ministries), and the UNIDO representative in Indonesia and Headquarter.

Expected results

Based on preparatory assessment, two model IPs has been selected for Indonesia i.e. *MM2100 Industrial Town* (Bekasi, West Java Province) and *Batamindo IP* (Batam, Riau Islands Province). GEIPP will support the implementation of the EIP framework in these model parks, and new parks will benefit from introducing EIP principles into IPs development policy. As important developments regarding RECP regulation have also taken place in Indonesia, the achievements will be leveraged into further development for EIPs supporting regulation. It is expected that the project will, on one hand, *support*: i) further development of relevant policy and regulation to facilitate industrial resource use efficiency (chiefly energy, water, material efficiency), ii) development of industrial symbiosis among companies in the same IPs and between the park and the communities nearby, and iii) improvement of existing environmental and social safeguards applicable to IPs; and on the other hand, *also support* to: demonstrate and facilitate the adoption of environmental technologies and good practices in two targeted IPs, in order to gradually transform them into EIPs. The demonstration activity will be accompanied by technical capacity building and awareness raising activities, which will involve both private and public stakeholders at different levels.