

International Conference

"Industrial Parks for Inclusive and Sustainable Industrial Development"

11-12 June 2019

National Association of Industries

Lima, Peru

In recent decades, industrial parks played a catalytic role in facilitating industrial upgrading and export-led growth in East Asia, most notably in “tiger economies” during the 1980s and China from the early 1990s. This has also been seen in Latin America and parts of South Asia. As such, industrial parks have made important contributions to the restructuring and development of the economy, generating jobs and increasing incomes. Industrial parks offer a structured institutional framework, integrated services and a physical infrastructure that may not be otherwise available. Today, they are key industrial policy tools for fostering economic development, especially for developing and middle-income economies.

When industrial parks are properly planned and operated, they offer the opportunity to address the three dimensions of sustainable development: social equity, economic growth and environmental protection. This is in line with the SDGs, particularly SDG9. There are multiple key factors for successful industrial parks. First, a solid national legal framework and long-term government commitment are required, which together create an attractive environment for the business sector. Second, a strong association of actors from the private, public and financial sectors is required to ensure investments and a coherent business approach to the companies inhabiting industrial parks. Third, viable planning and operational business models are important for each park. Fourth, a socially inclusive and forward-looking management model of industrial parks based on the dialogue between the multiple parties involved is essential. Last, different emphasis can be put on specific parks, for example an Eco-Industrial Park (EIP) or a Special Economic Zone (SEZ), depending on the requirements of the respective stakeholders. Moreover, in addition to promoting industrial development, industrial parks also foster innovation and encourage the application and development of new technologies and innovative concepts, which can be of value for a country’s economic growth.

The International Conference on "Industrial Parks for Inclusive and Sustainable Industrial Development" was organized jointly by UNIDO, the Ministry of Production of Peru (PRODUCE) and the National Association of Industries (SNI) of Peru. It brought together 800 participants from more than 30 countries and presented a wide range of international knowledge and experience on different aspects of industrial parks, including government policies, financial tools, private sector initiatives, EIPs, circular economy business practices and applications of Industry 4.0.

The Conference was organized within the framework of the Programme for Country Partnership (PCP) Peru, which has been implemented by PRODUCE and UNIDO since the beginning of 2018. The PCP Peru seeks to accelerate inclusive and sustainable industrial development and works in a multi-stakeholder partnership led by PRODUCE.

In this context, the development of the National Strategy on Industrial Parks in Peru is a key milestone in this fruitful cooperation exercise. It shows that Peru is committed to developing a solid regulatory framework and policies on the subject with a consequent favorable impact on attraction of investments, in addition to those already mentioned in the preceding paragraphs.

The Conference also served to facilitate the exchange of practical and theoretical experience on industrial parks, the future vision of the industry for 2030 and alignment with the SDGs, in particular SDG 9.

DAY ONE – 11 JUNE 2019

Welcome Addresses

Mr. RICARDO MÁRQUEZ FLORES
President
National Association of Industries (SNI)



Mr. Márquez welcomed the participants and thanked UNIDO and the Ministry of Production for their excellent collaboration. He underlined that Peru has made considerable economic and social progress which is, however, not equally distributed among the different areas of the country. In this context, he highlighted that Huancayo and Pucallpa (located in Junín and Ucayali regions respectively) would benefit from industrial park activities. He underlined the need for a national industrial policy that allows sustainable development of industry and access to new markets. The development of a National Strategy for Industrial Parks could play a key role in this endeavour.

H.E. Ms. ROCÍO BARRIOS ALVARADO
Minister
Ministry of Production (PRODUCE)



H.E. Ms. Rocío Barrios welcomed the attendees and thanked UNIDO and SNI for their productive cooperation. She recognized the importance of industrial parks and explained that her Ministry is currently working on the National Strategy for Industrial Parks in collaboration with UNIDO. This strategy will provide a roadmap for the concrete establishment of industrial parks and at the same time strengthen the ongoing efforts of the private sector. She invited the industrial sector to join hands in the development of the strategy and the national industrial policy to ensure that they respond to the needs of Peruvian industry.

Mr. LI YONG
Director General
United Nations Industrial Development Organization (UNIDO)



Mr. Li Yong welcomed the participants and thanked PRODUCE and SNI for their active collaboration. He emphasized that the Programme for Country Partnership (PCP) represents an innovative approach to supporting UNIDO's member countries to achieve the 2030 Agenda, and builds synergies with partner interventions.

The development of industrial parks in Peru would enhance innovation and competitiveness, create employment, promote investment and foster economic growth as well as environmental protection and social inclusion. Moreover, he indicated that the PCP Peru is now in its implementation phase and acknowledged that this has been possible thanks to the close cooperation with the Government of Peru.

Key Note Presentation:

Role and impact of Industrial Parks in national strategies and plans for sustainable development

Ms. NILGUEN TAS
Deputy Director
Department of Environment (UNIDO)



To attract investments, enhance GDP growth, create jobs and realize economic diversification, governments have to apply well-designed industrialization strategies and industrial policies that deal with both, present and future challenges. A successful industrial policy implementation has the potential to enhance the competitiveness of new industrial sectors in the economy while enabling the restructuring of existing sectors and enterprises to become more efficient and competitive. The development of industrial parks can be highly beneficial for the industrialization of developing and middle-income countries. Industrial parks are therefore useful industrial policy tools for decision-makers to promote investments, create employment and foster economic growth. The characteristic features of industrial parks are the integration of production, relevant services, training and support bodies into a specific region. It is crucial to identify the existing national and international regulatory landscapes of industrial parks to enhance their effectiveness in the industrialization process.

Panel 1:

High level panel "International Experiences on Industrial Parks to boost competitiveness, industrial development, sustainability and inclusion"

Industrial parks are acknowledged as having played a catalytic role in facilitating industrial upgrading and export-led growth in East Asia, most notably in “tiger economies” during the 1980s and China from the early 1990s. This has also been seen in Latin America and parts of South Asia. Today, industrial parks are key industrial policy tools for fostering economic development, especially for developing and middle-income economies. As such, industrial parks can be considered important drivers for inclusive and sustainable industrial development.

Mr. OSCAR GRAHAM
Vice-Minister of SMEs and Industry
Ministry of Production, Peru



The National Plan for Competitiveness and Productivity (NPCP) 2019-2030 of Peru outlines a set of instruments and institutions that will facilitate industry and government coordination. It will also generate optimal market conditions to increase national GDP growth beyond current levels of 3-4%. Most importantly, the NPCP recognizes the relevance of industrial parks (Priority Objective 6) and PRODUCE, with the support of UNIDO, is working on the National Strategy for Industrial Parks Development which is foreseen to be launched by the end of this year. In this regard, PRODUCE also plans to achieve the following by 2020:

- Implement the Eco-Industrial Parks Development Project;
- Engage the private sector in the implementation of the Ancón Industrial Park;
- Continue providing technical assistance for the design, formulation and development of the industrial parks in Pucallpa and La Libertad;
- Promote capacity building within the regions in matters related to industrial parks.

Mr. FERNANDO GRASSO
Secretary of Industry
Ministry of Production, Argentina

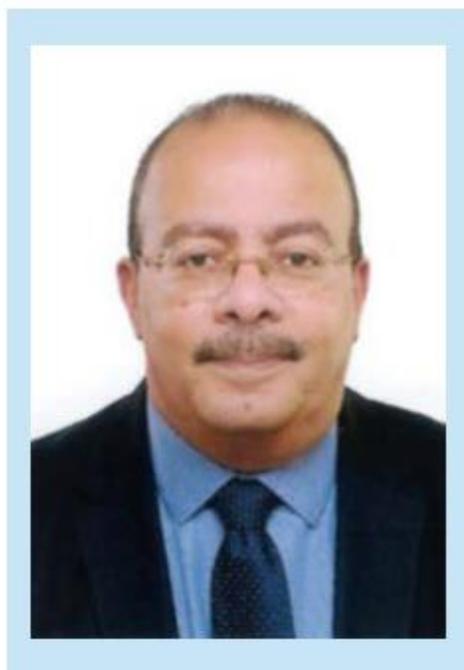


Argentina has around 400 operational industrial parks, out of which 80% are public. The industrial park strategy in place aims to foster innovation and Industry 4.0 in alignment with the principles of sustainable development. Furthermore, the objective is to enhance Multilateral Environmental Agreements (MEAs) compliance and to promote circular economy. The Government intends to enhance the “qualitative aspects” of industrial parks by providing:

- Technological infrastructure for the development of Industry 4.0;
- Conversion of industrial parks to improve sustainability;
- Provision of technical assistance.

Funding for this quality improvement is expected to be sourced from different levels and through close cooperation between companies, the public sector and the community.

Mr. AHMED TAHA
First Assistant to the Minister of Trade and Industry for Industry Affairs
Ministry of Trade and Industry for Industry Affairs, Egypt



Egypt’s Industrial Development Strategy 2016-2020 along with “Egypt Vision 2030”, an initiative towards inclusive development, largely focus on SMEs and industrial cluster development.

- 13 industrial parks are under construction, including furniture, tannery and leather clusters;
- Industrial parks intend to facilitate vertical integration;
- Plan to integrate non-industrial buildings alongside industrial infrastructure, including ancillary services such as hotels and exhibition centers.

In addition, the National Industrial Localization Programme that enhances competitiveness in the manufacturing sector, has identified 248 investment opportunities with a market size of more than US\$20 billion.

Mr. IGNATIUS WARBITO
Director of Industrial Region
Ministry of Industry, Indonesia



Through the implementation of policies such as the National Strategic Project for Industrial Parks, Indonesia aims to spread industrial development across the country, as 60% of the industrial parks are concentrated in Java. At the same time, Indonesia is in the process of upgrading its “third generation industrial parks” through:

- Promotion of Industry 4.0 in five industrial sectors (food and beverages, textiles and garments, chemicals, automobiles, and electronics);
- Fiscal and non-fiscal incentives;
- Strong multimodal transport connections with a focus on port and shipping connections.

Ms. LELISE NEME
CEO
Ethiopian Industrial Parks Development Cooperation (IPDC), Ethiopia



Industrial parks have been recognized as an integral part of Ethiopia’s state-led development policies. The driving principles of the industrial parks strategy include:

- A focus on targeted industry sectors and areas;
- A zero-offsite-discharge standards approach;
- A conducive enabling environment for investors (created through sector incentives, establishment of one-stop services, proximity to universities and value added onsite services such as banking services).

Currently, IPDC has ten industrial parks either constructed or in development.

Presentation: The Importance of South-South Cooperation to Industrial Development

Mr. JORGE CHEDIK

Envoy of the Secretary-General on South-South Cooperation

Director of the United Nations Office for South-South Cooperation (UNOSSC)



Mr. Jorge Chediek opened the side-event and highlighted the importance of South-South and Triangular cooperation as a global platform to disseminate and exchange knowledge among Southern countries. Mr. Chediek made an introduction to the “South-South Galaxy”, a global knowledge-sharing and partnership-brokering platform launched at the Second High-level UN Conference on South-South Cooperation (BAPA+40), that took place in Buenos Aires, Argentina, from 20-22 March 2019.

Side Event:

Leveraging South-South and Triangular Cooperation for the Development of Inclusive and Sustainable Parks

The operationalization of innovative ideas within industrial parks, once proved to be successful, would play a catalytic role in the overall upscaling of the industrial sectors. This would hold true not only beyond industrial park boundaries within a country, but also across international borders. One typical example is the industrial park development in China and its impact on other developing countries, such as on the establishment of Ethiopia's Oriental Industrial Park, which was made possible through UNIDO's proactive matchmaking. UNIDO is actively involved in the coordination of South-South industrial cooperation. South-South and Triangular Industrial Cooperation (SSTIC) is a key instrument for the promotion of UNIDO's mandate for inclusive and sustainable industrial development (ISID). The side event provided an opportunity to exchange knowledge and experiences on practices of industrial park development within the context of SSTIC. It explored the potential for creating synergies and increased opportunities for potential collaborations on industrial park development in the future.

Ms. MERYEM SGHIR
Industrial Development Officer
Department of Agri-Business (UNIDO)



South-South and Triangular Cooperation (SSTIC) involves multi-stakeholder partnerships in order to promote the exchange of knowledge and technology to help countries reap the benefits of industrialization. In this context UNIDO:

- Coordinates partners and facilitates SSTIC between and among countries of the South for the promotion of ISID and 2030 Agenda;
- Developed the International Guidelines for Industrial Parks, designed to be a general reference tool on SSTIC best practices.

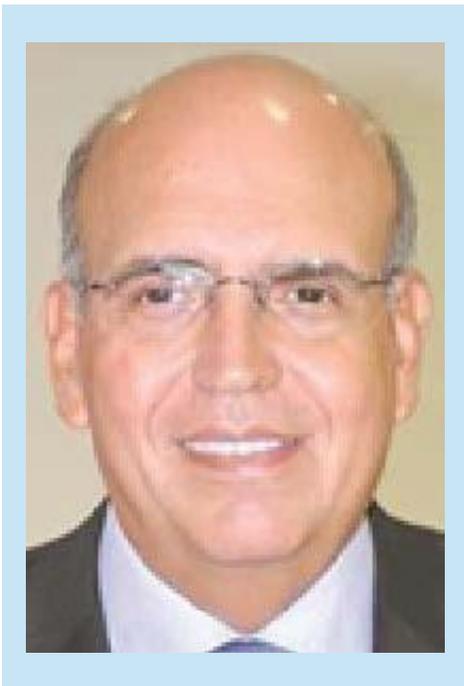
Mr. GUO LI
Director
UNIDO Centre for South-South Industrial Cooperation (UCSSIC/China)



As Chinese state-owned or private companies grew *bigger*, they expanded their businesses by setting up industrial parks abroad. There are more than 100 industrial parks operated by Chinese companies around the world, most of them in Africa. These industrial parks follow successful examples of other countries to avoid possible mistakes and remain cost effective. In this context, the main functions of the UCSSIC are to:

- Facilitate technology transfer and experience sharing between China and developing countries;
- Foster the development of green industrial parks;
- Promote regional trade and economic integration through partnership building.

Mr. MARIO LÓPEZ CHÁVARRI
Director General
Economic Affairs, Ministry of Foreign Affairs of Peru



The current international cooperation environment presents new challenges for middle-income countries such as Peru. Technical and financial resource provision from international development aid is declining. As a result, middle-income countries are forced to develop new cooperation models to mobilize the public and private sectors, academia and civil society to leverage potential development opportunities. In this context, the South-South and Triangular Industrial Cooperation would help fostering new cooperation modalities and opportunities for Peru during the current national transition period.

Mr. ANTONIO GONZÁLEZ NORRIS
Executive Director
Peruvian Agency for International Cooperation (APCI)



Public Private Partnership (PPP) can be defined as a contractual agreement between the Government and a private firm on financing, designing, implementing and operating infrastructure facilities and services that were traditionally provided by the public sector. A PPP:

- Provides optimal risk allocation between the parties, minimizing costs during project development;
- May include non-governmental organizations and/or community-based organizations that represent stakeholders directly affected by the project;
- Should include an efficient governance structure, risk identification and prevention, proper selection of partners, and monitoring mechanisms to measure results.

Ms. LELISE NEME
CEO
Ethiopian Industrial Parks Development Cooperation (IPDC)



Ethiopia wants to be recognized as the leading eco-industrial park developer and operator in Africa by 2025. In fact, the rapid economic growth, the demographic dividend and a clear vision for sustainable development in the country have contributed to:

- Ethiopia becoming one of UNIDO's PCP pilot countries;
- Strong FDI attraction.

To sustain Ethiopia's momentum, continued investment in Global Value Chains integration is required.

Ms. SONG YUYAN

Vice Director of the TEDA Environmental Protection Bureau and Director of the TEDA Eco Center



After 35 years of growth and evolution, the Tianjin Economic-Technological Development Area has become the archetype of Chinese industrial parks development. TEDA:

- Is committed to the sustainable development of industrial parks;
- Welcomes representatives from industrial parks around the world to collaborate on new technologies;
- Has introduced the TEDA model in Africa (China-Egypt TEDA Suez Economic & Trade Cooperation Zone).

Ms. LI XIAN

Section Chief

China-Singapore Tianjin Eco-city Economic Bureau (CSTEC)



CSTEC is an important inter-governmental project between China and Singapore aiming to tackle climate change, enhance environmental protection and save resources and energy. The CSTEC model:

- Has been guided by a comprehensive set of key performance indicators (KPI) covering its environmental, economic and social development;
- Has established a new framework for Smart-City's KPIs in 2019 in accordance with the principle "accessible and applicable";
- In terms of Eco-Cities, 22 quantitative and 4 qualitative key performance indicators exist.

UNIDO International Guidelines for Industrial Parks

Mr. JIE ZHAO

Coordinator for South-South and Triangular Cooperation, UNIDO



At the Conference, UNIDO launched its International Guidelines for Industrial Parks to improve efficiency, enhance competitiveness, promote sustainability, and ensure inclusiveness. The guidelines:

- Cover industrial park planning, construction, management, regulation, promotion, risk management and performance evaluation;
- Are designed to be a general reference tool on international best practice for industrial parks in regard to what needs to be done, by whom and when;
- Aim to provide a practical tool to measure and enhance industrial park performance;
- In the future, will provide the basis for further manuals, training materials and other guidance documents, and will also be regularly updated and strengthened to take into account evolving trends in the global industrial landscape.

Mr. JEAN-PAUL GAUTHIER

Secretary General WEPZA (World Export Processing Zones Association) and CEO, Locus Economica



The opportunities offered by industrial parks can only be effectively capitalized when a robust approach to the planning and implementation of industrial parks is taken. To get an industrial park started, it is of utmost importance to work on a detailed business case (purpose of the industrial park, benefits, market segments involved, demand forecast, etc.) for the planning phase.

Panel 2:

Industrial Park Management Models and Social Inclusion

Industrial park management models are generally divided into three categories: public, private or joint management by means of a public-private partnership. The management of industrial parks combines public relations, administration of standards, and the coordination of activities while ensuring the active participation of occupants and the community. At the same time, it is important to include social inclusiveness indicators in the industrial parks under development in order to ensure a socially inclusive approach. Social aspects of industrial park development can refer to social policies for the communities around the park, the companies and the infrastructure in the park, as well as social services and the potential social impacts of the industrial park development.

Ms. CLAUDIA ILEANA AVILA CONNELLY
Mexican Association of Industrial Parks (AMPIP), Mexico



- Industrial parks are part of Mexico's strategic productive infrastructure which mainly aims to attract foreign investments. Most of the industrial parks host high added value sectors such as automotive and aerospace companies.
- Mexico created the WCO AEO (World Customs Organization Authorized Economic Operators) specifically for industrial parks and has developed a 2030 Sustainable Intelligent Industrial Parks Roadmap;
- AMPIP promotes standards and a new generation of sustainable industries offering key technologies.

Ms. ARVEA MARIENI

Strategic Advisor and Innovation Consultant, GcM Consulting Srl Germany



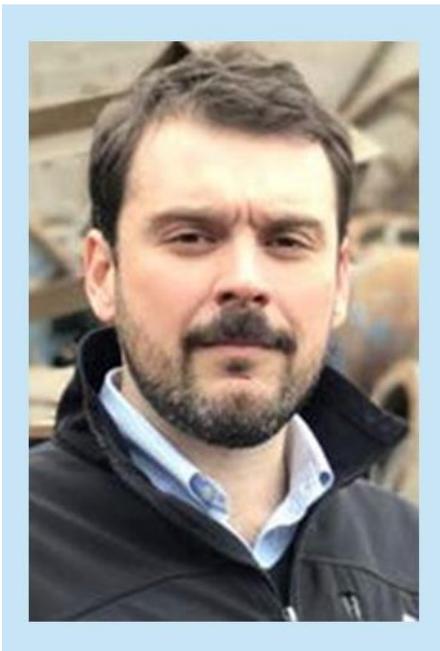
Many industrial parks in Italy are highly sector-specific and focus on micro, small and medium enterprises. The design of industrial parks usually makes use of the knowledge and experience of local companies and consider their relevant needs. They tend to be financed through Public Private Partnerships (PPPs), with state and EU support for more expensive R&D programmes and shared industrial park assets.

Italian industrial parks actively promote economic, social and environmental sustainability. An example is the Science and Technology Park for the Environment in Turin, which:

- Utilizes eco-technologies;
- Has strong ties with universities and R&D centres;
- Plays a social role with focus on technical training and gender equality.

Mr. PETAR OSTOJIC

CEO, Center of Innovation and Circular Economy (CIEC) / Neptuno Pumps, Chile



The Iquique Free Zone (ZOFRI) in Chile was created as a response to the need for a social and economic development center in the North of the country. ZOFRI houses more than 2,000 businesses which provide 36,000 jobs and is strategically located with international transport accessibility.

In order to improve competitiveness and sustainability, the zone aims to:

- Utilize the high solar energy potential in Northern Chile to provide renewable energy for the zone;
- Incorporate circular economy principles into the operation of the zone (e.g. a US\$15 million Circular Economy Centre was recently built);
- Capitalize on opportunities offered by Industry 4.0 and other new technologies and business models.

Mr. TAKAHIRO FUKAHORI
Green Innovation Officer, Kawasaki City, Japan



The “Eco-town project” in Kawasaki City was developed in conjunction with the government in 1997 to:

- Reduce waste generation and industrial pollution;
- Enhance eco-friendliness and recycling technologies;
- Promote a circular economy.

In order to accomplish these goals, policies are in place to encourage industrial diversity, eco-consciousness and sound environmental practices. US\$348 million have been provided in subsidies. This places Kawasaki City on a firm course to achieve zero emissions status in the years to come.

Panel 3: Eco-Industrial Parks

The following definition is commonly used to define an Eco-Industrial Park: “(...) a community of manufacturing and service businesses located together on a common property. Member businesses seek enhanced environmental, economic, and social performance through collaboration in managing environmental and resource issues.” (Lowe, E.A., 2001. Eco-industrial park handbook for Asian developing countries. Rep. Asian Dev. Bank)

The Eco-Industrial Park (EIP) concept has increasingly been recognized as an effective tool to facilitate a modern and sustainable investment regime for industrial zones. Promoting sustainable business practices in EIPs consists of a systematic up-scaling and further development of the Resource Efficient Cleaner Production (RECP) approach. International best practice illustrates that the types of economic, environmental, and social benefits from EIPs vary greatly, transcending conventional business case benefits.

The panel elaborated on how and why development partners support the EIP concept and discussed the benefits, which Peru expects from the adoption of the EIP concept. Additionally, it explored future perspectives and avenues for a global roll out and up-scaling of the EIP concept.

Mr. GABRIEL QUIJANDRÍA

Vice Minister of Development of Natural Resources, Ministry of Environment (MINAM), Peru



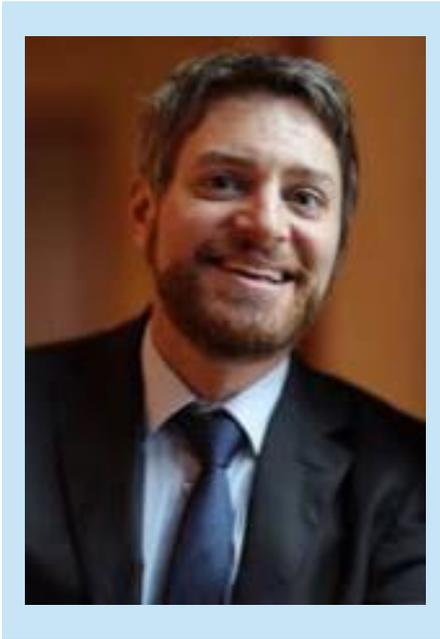
In the context of Peru’s bi-centenary independence in 2021, MINAM and PRODUCE are teaming up to develop a sustainable, diverse, productive and innovative city model: Raimondi Green City. Located in the Ancón District, it is the largest public area that can be developed in the province of Lima. It will include:

- The Ancón Industrial Park (PIA), functioning as the main pole of productive development (1,338 ha) and logistics (358 ha);
- Green and natural areas (6,222 ha);
- Ecological housing (115,000 residents);
- Multimodal mobility (including commuter and freight trains connected to Callao Sea Port and the future Chancay Sea Port).

Financing remains the principal challenge of the project in addition to the specific local features and weather conditions of the area.

Mr. MARTIN PETER

Head, Economic Development Cooperation, Peru, State Secretariat for Economic Affairs (SECO), Switzerland



SECO has recently launched a “Global Eco-Industrial Parks Programme – GEIPP (2018-2023)” focusing on Peru, Colombia, Egypt, Ukraine and Vietnam, with a total programme value of US\$14.5 million.

Through Eco-Industrial Parks, SECO aims to:

- Support the implementation of appropriate framework conditions for green growth;
- Minimize the negative impacts of economic activities;
- Increase productivity in small and medium sized enterprises;
- Foster the development of low-emission and climate resilient economies.

Mr. HUNG-SUCK PARK

Professor, College of Engineering, University of Ulsan, Korea



Korea is deliberately attempting to replicate the industrial symbiosis model developed in Denmark’s Kalundborg EIP across 235 different parks. Korea has been working to achieve all 12 SECO Eco-Industrial Parks criteria and to implement the ESCOPC (Energy-Saving Company Performance Contract) concept. It has consequently achieved high resource and energy efficiency.

One of the current challenges is that certification remains difficult because companies are reluctant to share their performance, emissions and other data.

Ms. NAH-YOON SHIN

Senior Consultant, Finance, Competitiveness and Innovation Global Practice, World Bank Group



The increasing demand for green products (estimated at US\$5 trillion per year) shows the growing importance of green manufacturing.

In 2017, the manufacturing sector was hit by the effects of climate change with losses of US\$330 billion. Thus, there is a need to increase green products and profitable and environmentally sustainable EIP initiatives are required.

To support these initiatives, the World Bank is working on:

- Establishing an EIP certification process;
- Mainstreaming solutions on EIP projects in nearly 20 countries.

DAY TWO – 12 JUNE 2019

Opening Address

Mr. CARLOS GARCÍA
General Manager
National Society of Industries (SNI), Peru



Mr. García thanked all those attending and contributing to the Conference. He especially acknowledged the participation of government officials from various ministries and UNIDO and stressed the importance of a closer dialogue between the public and private sector.

Subsequently, he reflected on the interesting panel discussions of the previous day and provided an overview of Day 2 activities. He informed that the last two panels of the Conference were organized by SNI addressing national SME growth and development challenges and opportunities.

Key Note Presentation: Industry 4.0 and Circular Economy – Transforming Industrial Parks

Ms. ARVEA MARIENI

Strategic Advisor and Innovation Consultant, GcM Consulting Srl Germany



Industry 4.0 focuses on research, innovation and technology as drivers for economic growth through industrial development and as such is a highly relevant paradigm for the development of industrial parks. Industry 4.0 is a paradigm shift from centralized to decentralized smart manufacturing and production and refers to the computerization of manufacturing. Increasingly, companies are applying innovative solutions, including through the “Internet of Things” (IoT), cloud computing, miniaturization, and 3D printing that will enable more interoperability and flexible industrial processes and autonomous and intelligent manufacturing. These developments are highly relevant for industrial parks as they can transform them into state-of-the-art hubs of technology and optimized production processes.

Moreover, Industry 4.0 has the potential to improve productivity and competitiveness and increase energy and resource efficiency, hence protecting the environment. It could enable the transition to a circular economy in which end of life products are reused, remanufactured and recycled.

The concept of circular economy is gaining increasing attention worldwide as a means to reduce dependency on primary materials and energy, while at the same time becoming an economically viable alternative to the linear economy. Circular economy could help developing- and middle-income countries ‘leapfrog’ to a more sustainable development pathway that avoids locking in resource-intensive practices and infrastructure. To achieve a circular economy, we need incremental and ground-breaking advances, including technological, regulatory, social and business-model innovations. Research and innovation can drive a transition to the circular economy.

Panel 4:

Special Economic Zones (SEZs) for Industrial Development

“Special Economic Zones” are a policy-enabled type of industrial park, where liberalized and often experimental business policies and reforms are introduced to complement the park’s infrastructure offering. However, there are misconceptions about what is so “special” about these zones, how they are different from other industrial parks, how their policies can contribute to economic development and which supportive policies (or other features) should characterize them to be successful in this regard.

Mr. FRANCISCO ZAMUDIO

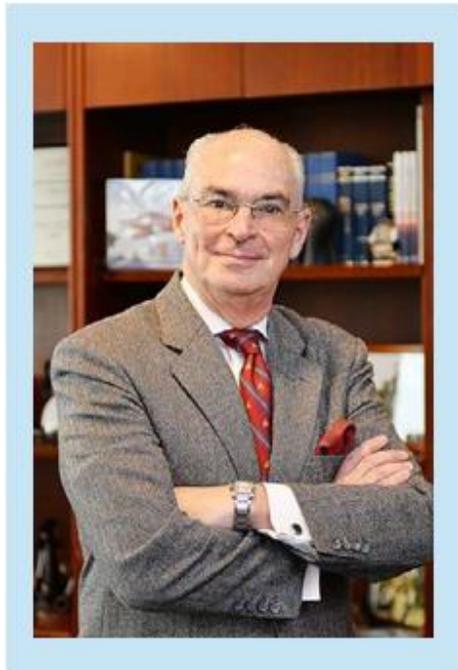
General Director of Foreign Trade Facilitation (MINCETUR), Peru



In Peru, 134 companies operate within SEZs, generating more than 1,900 jobs and US\$46 million in exports. Peru has a high potential for the success of these zones due to characteristics such as transport connectivity, access to workforce and basic services, and trade agreements. The Peruvian National Export Plan (PENX 2025) aims to strengthen SEZs in the country through unifying regulatory framework and promoting private investment. This strengthening also involves:

- Enabling the creation of new SEZs;
- Participation in related national and international forums;
- Altering customs and tax regimes.

Mr. MARTÍN GUSTAVO IBARRA PARDO
CEO, Araújo Ibarra, Colombia



Colombia is home to 112 uni-enterprise, employer and offshore Free Trade Zones (FTZs), which house 940 user companies. These companies employ more than 170,000 people, mostly in the manufacturing and logistics sectors. It is estimated that 64% of the investments located in FTZs would not have been implemented without the corporate tax and VAT incentives offered. There are multiple benefits of FTZs:

- Bogota zone produces 500 jobs/ha;
- Municipalities with FTZs have significantly higher municipal tax revenues per capita than those which do not.

Mr. KEVIN O'CONNOR
Strategic Adviser, International Development Ireland (IDI), Shannon, Ireland



The Shannon Free Zone initially developed around the Shannon International Airport, has evolved into a diverse collection of companies across the aviation, technology and service sectors. The key to the success of the zone has been continuous change and evolution, which has involved altering the offered incentives and diversifying the industries within the zone. Successful zones also need to plan for the future, which Shannon Free Zone is doing through developing a mixed-use industrial park. Maintaining zones in line with sustainable development goals involves two focus areas:

- Dealing with current operational requirements such as water and power supply, regulation compliance and maintenance;
- Long range planning involving future proofing, skill development, building strong networks and financial competitiveness.

Ms. SONG YUYAN

Director, Secretariat of the Green Development League of National Economic and Technological Development Zones, Teda Eco Centre, China



China has 219 National Economic and Technological Development Zones (NETDZs). Efforts to encourage the green development of these zones have been made in three areas:

- Continued policy support;
- Environmental inspection programmes initiated by the central government;
- The building of models and standards for green development.

The zones form a network which facilitates knowledge sharing, financing and skill development. Results show that NETDZs increase land use efficiency while decreasing energy and water consumption as well as pollutant emissions when compared to state averages. Pollution levels are dropping each year with continuing improvements.

Mr. CERNIN MARTÍNEZ YOLDI

Managing Partner, Kemen Acompaña and Project Director, IDOM, Spain



Science & Technology Parks (S&TPs) maintain formal and operational relationships with higher education institutions. They encourage the training and growth of knowledge-based companies through promoting technology transfer and innovation. Spain saw a rapid increase in the number of S&TPs at the beginning of the 21st century. As of 2018, there are 64 parks within the country, which employ 170,000 people with the largest sectors being ICT and engineering. There are numerous support mechanisms at EU, at national and regional levels. Some of the national support mechanisms are:

- Soft loans for company set-up;
- Support for Research & Development;
- Promotion of scientific culture and innovation.

Panel 5: Financial Instruments and Investment Models for Industrial Parks

To achieve inclusive and sustainable industrial development (ISID), developing- and middle-income countries must attract investment. However, many of them lack the infrastructure and the institutional framework to be attractive for investors. One solution is to prioritize the development of industrial parks as a strategic policy tool to achieve structural transformation and industrialization, and to increase their attractiveness for investors. Different types of funding and investment models have been set up for the development of industrial parks. Their modalities range from grants to various forms of co-financing as well as impact financing between project developers and funding agencies.

This session discussed the different financial instruments available for industrial parks, divided into three categories: the traditional financing model; capital market instruments (stocks, bonds, trusts); and public-private partnerships (PPP). In addition, it will elaborate new financing models such as impact financing.

Impact financing refers to financing made with the intention to generate a positive social or environmental impact alongside a financial return.

Mr. ALEX ZIMMERMANN
CEO, COFIDE, National Development Bank of Peru, Peru



COFIDE provides financial products and services to corporations, public sector and SMEs. It has an independent Board and the main shareholder is the Peruvian government.

By means of debt financing (bilateral and syndicated loans), indirect financing (partial guarantees credit, letter counter guarantee bail) and financial advisory, COFIDE is able to fund:

- Productive investment (e.g. new schools, agricultural projects);
- Major infrastructure projects (e.g. ports, solar panel stations);
- SMEs (at present 400,000 credits have been granted through the programme “Fondo Crecer”).

Mr. HENRY KARDONSKI
CEO, Panamá Pacífico Special Economic Area, Panama



Panamá Pacífico is a Special Economic Area funded through Public-Private Partnership (State of Panama and the developer London & Regional Panama). The 1,400 ha site hosts more than 280 companies with over 10,000 employees. These companies benefit from tax, job, and legal incentives, in addition to immigrations benefits and one-stop-shop services. The area contributes to the SDGs by achieving efficient resource use and economically viable and socially inclusive management. This is accomplished through a range of initiatives:

- The use of Microgrids and solar energy;
- Transport impact reduction initiatives, including shuttles and bus fleets for residents;
- Emergency plans and security measures;
- Ecological compensation and recycling;
- Responsible water management.

Ms. DITTE LYSGAARD VIND
Managing Partner, Lendager TCW, Denmark



Transitioning towards a Circular Economy involves decoupling resource use and environmental impact from economic growth. Through circular thinking, the EU can, by 2030, increase the GDP by 7% while reducing primary resource cost by 10% and CO₂ emissions by 17%. Despite these benefits, there has been little focus on Circular Economy opportunities in emerging markets, as there are numerous barriers, including institutional capacity, infrastructure and access to financing and technology. To overcome these barriers and ensure transition to a more circular way of operating, industries need to:

- Transition their infrastructure to more symbiotic ways of operating, as seen in EIPs;
- Aim to maximize resource recovery;
- Design for circularity.

Mr. XIAOCHEN ZHANG
President, FINTECH4GOOD, China



The fourth industrial revolution increasingly focuses on the digital economy. With this focus comes a new breed of industrial parks: the Digital Economy Hub (DEH) which requires new infrastructure, policies, technological focus and models. The available financing avenues, such as capital market and project financing, face numerous challenges when applied to DEHs. To overcome these challenges, new financing models are being made available through blockchain technology, including;

- Stablecoins: assets with price stability characteristics for short- and medium-term use;
- Digital Asset Backed Lending and Remittance: help drive new loan products into digital projects;
- Digital Impact Financing: utilizes blockchain technology to provide transparency, cost reduction and accountability;
- Security Token Offering: converting rights to an asset into a digital token to transform private security.

Mr. JAMES PATTERSON
Head of Vivid's Cities Team, Vivid Economics, Great Britain



The costs of attracting investment are not always fully assessed in economic zones. Zone sector strategies are most successful when they target activities that both maximize positive social and economic impacts, while minimizing the cost of attraction and subsidy.

- To identify benefits of economic zones, a useful tool is an *impacts framework* which determines 'value for money' based on direct, indirect and induced benefits, economic growth, employment generation and exports/imports;
- Prior forecasting of economic returns can be conducted using national economic data to inform this impact framework;
- Key performance indicators and benchmarking against peers are useful in assessing 'value for money'.

The following panels were organized by the National Association of Industries (SNI):

PANEL 6: INDUSTRIAL PARK: TOOL TO PROMOTE SMES GROWTH

PANEL 7: REQUIRED CONDITIONS TO STIMULATE INVESTMENT AND DEVELOPMENT

CONCLUSIONS OF THE CONFERENCE

Ms. PETRA SCHWAGER

Manager of PCP Peru, UNIDO



The Conference concluded the following:

- Well-planned industrial parks have a positive impact on the productive capacities and economic development of a country;
- Industrial parks must address the three dimensions of sustainable development: economic growth, social equity and environmental protection;
- To be successful, industrial parks require a solid legal framework, a long-term governmental commitment and a strong multi-stakeholder involvement;
- Industrial parks are a key instrument for innovation, Industry 4.0 and circular economy;
- The new financial models and investment instruments will stimulate industrial parks.

CLOSURE OF THE CONFERENCE

Mr. RICARDO MÁRQUEZ FLORES
President, SNI



Mr. Márquez stated that the National Association of Industries observes positive impacts and unavoidable repercussions associated to the globalization. In this regard, he highlighted the importance of industrial parks in supporting industry to face and respond to the challenges of the global market. Furthermore, he underlined that by implementing circular economy and the traceability of products, Peru would be able to export to the U.S. and Europe. Thus, he emphasized the role of SNI in supporting this goal.

Mr. LI YONG
Director General, UNIDO



Mr. Li Yong referred to the discussions over the last two days that showed the immense potential of industrial parks and industrial development in boosting national productive capacities and supporting sustainable development. The valuable discussions also showed that in order to gain the benefits from industrial parks, they need to be properly planned, operated and aligned with national economic development strategies. He emphasized that industrial parks address all three dimensions of sustainable development – economic growth, social equity and environmental protection.

H.E. Mr. NÉSTOR POPOLIZIO BARDALES
Minister of External Relations, Peru



H.E. Mr. Popolizio Bardales affirmed that the government would lead the country towards a model of sustainable and inclusive development. Particularly, he spoke about the UNIDO Programme for Country Partnership for Peru and mentioned its 4 components: quality and innovation; value chain and enterprise development; industrial resource and energy efficiency, as well as renewable energy; and sustainable industrial parks. It is particularly in the implementation of the latter point in which the Ministry of Production plays a strong role.