



Toolkit for Eco-industrial Parks: INDUSTRIAL PARK MANAGEMENT

The eco-industrial park (EIP) concept is about creating more resource efficient and cost-effective industrial parks that are more competitive, attractive for investment, and risk resilient. The uptake of EIPs is rapidly increasing internationally and in South Africa.

The Global Eco-Industrial Parks Programme (GEIPP) demonstrates the viability and benefits of greening industrial parks by improving resource productivity and economic, environmental, and social performance of businesses.



STRENGTHENING EIP MANAGEMENT AND ADDED VALUE SERVICES

Park management services and governance is a key component of eco-industrial parks.

TRADITIONAL PARK MANAGEMENT SERVICES

In many industrial parks, park management only provides traditional services to its tenant companies, i.e.

- Leasing or selling of industrial land;
- Electricity and water supply billing;
- Maintenance of roads, fences, and office buildings inside the park; and
- Basic security services.

ECO-INDUSTRIAL PARK MANAGEMENT SERVICES

There are many added value services park management could provide to its tenants. These added value services should be based on the specific needs of tenants and therefore can create additional revenue streams for the industrial park.

Eco-industrial park (EIP) management needs to ensure continuous implementation of EIP initiatives and engagement with the park's stakeholders.

EXAMPLES OF ADDED VALUE SERVICES

Some examples of added value services are as follows:

- Marketing, branding and investment promotion of the industrial park;
- Provide shared facilities for conferencing;
- Facilitate regular joint-industry committee meetings addressing and finding solutions for common challenges and opportunities facing the industrial park and its tenant companies;
- Coordinate engagement between tenant companies with research and development (R&D) institutions;
- Provide testing and prototyping facilities;
- Support tenant companies in dealings with authorities (e.g. operating permits, trade licenses, compliance);
- Organise training on topics of common interest;
- Support entrepreneurial and supplier development, e.g. for small and medium enterprises (SMEs);
- Support tenant companies in identifying and accessing funding and subsidies;
- Create a more resource efficient, cost-effective park, which is more competitive and attractive for investment;

- Facilitate resource efficient and cleaner production (RECP) assessments for tenant companies;
- Facilitate industrial synergies identification for tenant companies and other surrounding industries;
- Coordinate/provide centralized services and facilities on waste collection, storage, recycling, and disposal;
- Provide financial (accounting and auditing) and other business support services to tenant companies;
- Provide a clinic and associated health services;
- Provide logistics, supply chain management and warehousing services;
- Provide knowledge management services;
- Provide emergency services;
- Provide catering services;
- Provide recreation and entertainment services; and
- Facilitate community programs on behalf of the industrial park and its tenant companies.

SUCCESS FACTORS FOR EIP PARK MANAGEMENT

By working on park management services, industrial parks can strengthen their performance on various benchmarks of the International EIP Framework:

www.openknowledge.worldbank.org



Identified success factors for EIP management include:

- A need for strong leadership and commitment;
- Pro-active marketing of EIP features and benefits;
- Extensive and inclusive stakeholder management;
- Effective business model to share and recover park level costs and benefits; and
- Creation of feasible and valuable infrastructure and services.

COMMON CHALLENGES FOR EIP MANAGEMENT

Identified challenges for EIP management include:

- Trade-off logic, i.e. industrial development versus the environment;
- Insufficient inclusion of social dimensions;
- Insufficient priority for shared and integrated services; and
- Lack of understanding that environmental and social risks are also business risks.

MANAGEMENT MODELS FOR INDUSTRIAL PARKS

There is no universal management model for (eco-) industrial parks. Management models can range from privately owned parks, real estates, associations of tenant companies, public/private partnerships, and government-owned parks.

EIP management models should be decided at the earliest developmental stage of an industrial park.

Selection of park management models are highly dependent on:

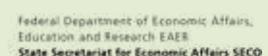
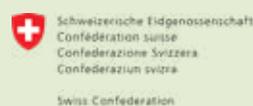
- The political environment (national and local);
- Level and types of financial investment;
- Nature of industrial park, i.e. industrial sectors, size;
- Tenant companies in the park; and
- Capacities of the stakeholders.

SOUTH AFRICAN GOOD PRACTICES ON EIP MANAGEMENT AND ADDED VALUE SERVICES

Most industrial parks in South Africa only provide traditional services to their tenant companies.

However, some added value services identified include:

- The Mpumalanga Economic Growth Agency (MEGA) Ekandustria Office has set up and facilitates regular joint-industry committee meetings to address and find solutions for common challenges and opportunities facing Ekandustria Industrial Park and its tenant companies (e.g. quality and price of water and electricity supplies).
- The Free State Development Corporation (FDC) has set targets (e.g. job creation) for the economic sustainable development of Phuthaditjhaba Industrial Park in a newly developed strategic plan.
- The North West Development Corporation (NWDC) that manages Bodirelo Industrial Park has developed an energy strategy that looks at energy alternatives as a value proposition to new tenants.
- Ithala provides a fire and emergency service to the Isithebe Industrial Park and the surrounding community.



The Global Eco-industrial Parks Programme (GEIPP) South Africa is being implemented from 2021 to 2023 through a collaboration between UNIDO, the Department of Trade, Industry and Competition (**the dtic**) and the National Cleaner Production Centre, South Africa (NCPC-SA). The GEIPP is made possible by funding from the Swiss State Secretariat for Economic Affairs (SECO).

