

ROLE OF POLICIES TO SUPPORT ECO-INDUSTRIAL PARK TRANSFORMATION IN SOUTH AFRICA

ECO-INDUSTRIAL PARKS PROGRAMME IN SOUTH AFRICA

The transformation of traditional industrial parks into eco-industrial parks (EIPs) presents a valuable opportunity to tackle economic, environmental and social challenges and capture opportunities for sustainable industrial development. In practical terms, EIPs are about creating more resource-efficient and cost-effective industrial parks which are more competitive, attractive for investment, and are risk resilient. The benefits are not just commercial but also strategic, leading to reduced exposure to risk, increased competitiveness, job creation, business development, production continuity and a better reputation with key stakeholders.

The Global Eco-Industrial Parks Programme (GEIPP) is implemented by the United Nations Industrial Development Organisation (UNIDO) and funded by the Government of Switzerland through its State Secretariat of Economic Affairs. The GEIPP country level interventions implement tailor-made initiatives in seven countries: Colombia, Egypt, Indonesia, Peru, South Africa, Ukraine and Viet Nam, including incentivisation of EIPs in policies or regulations and development of EIP opportunities in selected industrial parks.

GEIPP South Africa (Phase 1) is implemented from 2021 to 2023 through a collaboration of UNIDO with the Department of Trade Industry and Competition (**the dtic**) and the National Cleaner Production Centre South Africa (NCPC-SA).

POLICY ANALYSIS AND PROPOSALS FOR AMENDMENTS

As part of the initial stages of GEIPP South Africa, a policy analysis was conducted by Econogistics on existing national policies and strategies relevant to EIP transformation, with a view to develop proposals for policy and regulatory changes to advance the uptake of EIP practices and recommend policy amendments.

The policy analysis included the identification of challenges and opportunities within the current policy environment in South Africa. In terms of the challenges, the team identified possible solutions to be implemented to address gaps in national policies and strategies. The team also identified opportunities within the current policies and strategies which can support the EIP transformation in South Africa.

ROLE OF POLICIES TO SUPPORT EIP TRANSFORMATION

South Africa has a number of broad policy documents which support the transition to a more sustainable development path. While most of the policies and strategies recognise, and support (in principle), green industrial development, the green economy is still seen as a separate sector.

A general coherence seems to emerge, in theory, from national policy documents, with renewable energy, energy efficiency, green buildings and even waste management and sustainable transport arising as key focus areas. However, the overall industrial policy in South Africa remains

fundamentally entrenched on a business-as-usual trajectory from a green economy perspective.

The country's industrial policy demonstrates key areas of alignment to sustainable development goals (SDGs), making a positive contribution to all SDGs. However, there are many interventions that remain in contradiction to some key SDGs, and the double mainstreaming of green economy considerations into economic policy and of socio-economic development issues into green economy policy, has not yet occurred.

CHALLENGES AND OPPORTUNITIES

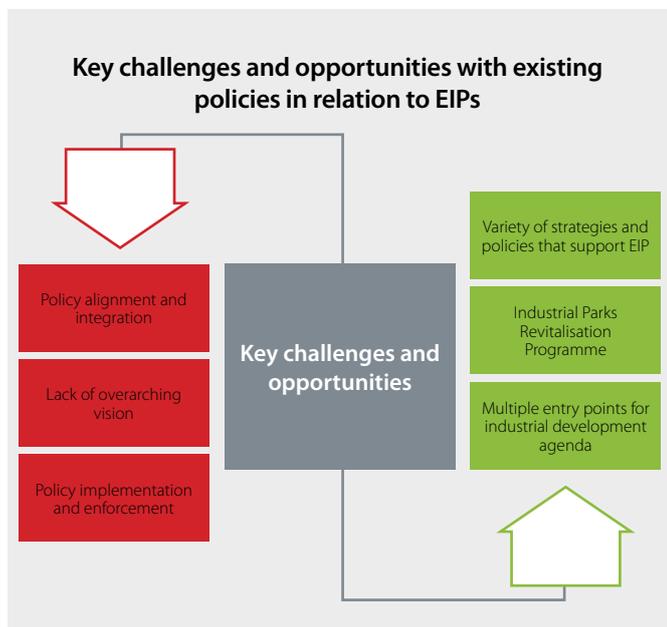
While South Africa's transition to an inclusive green economy is underway, the road ahead is still long and complicated. There are numerous policies, strategies and regulations that are relevant to, and supportive of, the EIP development and implementation plans in South Africa, however there are critical challenges that need to be addressed. Collaborative approaches will be key in supporting the transformation of industrial parks to EIPs, and ensuring the transformation of both economic and societal systems in favour of more sustainable models of development.

The top three challenges identified within the current policy environment are:

- Lack of policy alignment and integration;
- Lack of an overarching vision and direction for EIP transformation; and
- Policy implementation, enforcement and incetivisation is not sufficient.

The top three opportunities that have been identified within the current policy environment are:

- The country has a variety of strategies and policies that support EIP transformation;
- The Industrial Parks Revitalisation Programme (IPRP) is a key strength for driving the adoption of EIP approaches; and
- There are multiple entry points for industrial development agenda.



FURTHER POLICY SUPPORT NEEDED

- The sustainability objectives of the EIPs should become an integral part of the Industrial Park Revitalisation Programme.
- New methods and systems should be developed to improve integration and implementation.
- It is also of critical importance that a multi-stakeholder approach be followed in the design of policy, with sufficient social-dialogue between the public, private and civil sectors.
- Policy enforcement, monitoring and incentivisation should be adequately addressed.
- Integration of the environmental obligations mandated by National Environmental Management Act (NEMA) in amendments to the Special Economic Zones (SEZ) Act and the National Industrial Development Strategies.
- Finalisation of the development of the Draft Policy Framework on Industrial Parks Revitalisation.
- Training and education on the key EIP topics together with hand-holding and facilitation by experts and peers.
- Industrial Park governing entities and government departments need to underwrite the EIP principles and establish a reporting framework on EIP/SDG objectives.
- Implement green economy sector driven initiatives such as the establishment of industrial park forums.
- Package a business plan for going greening or applying the EIP principles that showcase the fiscal, risk mitigation and compliance benefits thereof.
- Implement a preferential procurement process similar to the Broad Based Black Economic Empowerment (BBBEE) framework for entities that apply EIP processes.
- Strengthen coordination between various government led industrial and environmental programmes and forums.
- Strengthen ownership, buy-in and accountability of EIP principles by industrial park operators and owners.
- Address restrictive scope, range and mandates of implementation agencies that are only allowed to focus and operate within their respective provincial or local government boundaries.
- Increase understanding by the industrial park and SEZ implementation agencies of the financial, social, economic and risk mitigation benefits of implementing EIP principles.

