



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



EIP site selection and site review

Training to industrial parks and service providers – April 2025



Site selection for new industrial parks: Common mistakes



- Land uses and industry sectors are not permitted in zoning classifications (false expectation that agricultural land zoning will be changed to industrial land)
- Site does not meet strategic and market-driven interests of targeted investors
- Site cannot be connected to cost-competitive and reliable energy, water supplies and transportation to meet demands of companies in industrial park
- Topographic conditions (e.g. Land slope, relief, soil) makes site too expensive to develop into (eco-) industrial park
- Site is not located within reasonable daily commuting distance of skilled and/or local workers

Site selection is critical step in establishing new industrial park

- A sub-optimal site selection will likely result in unsuccessful park or a less successful industrial park at least
- Planning and development of new industrial park is a resource intensive and costly process
 - Therefore critical to get the initial selection right from the start
- Industrial parks tend to around for a long time (30+ years)
 - Need to think short- and long-term in the selection process



1. Pre-conditions for establishing new greenfield industrial park

- Confirm that pre-conditions for a new industrial park in targeted region are met

2. Basic information on potential industrial sites

- List of available sites for potential development in selected region

3. Short-list potential industrial sites

- Ensure sites meet minimum criteria for development of a feasible industrial park

3. Multi-criteria analysis of short-listed sites

- Combined quantitative and qualitative multi-criteria analysis

Decision making through multi-stakeholder processes

- Private sector
- All relevant government entities at national, regional and local levels
- Local community

Demonstration of Excel file

Step 1: Pre-conditions for establishing new greenfield industrial park

Confirm that pre-conditions for a new industrial park in targeted region are met

- Market analysis and financial conditions
- Regulatory framework
- Infrastructure and hard components
- Environmental conditions
- Social conditions

ASSESS PRE-CONDITIONS FOR ESTABLISHING NEW GREENFIELD INDUSTRIAL PARK

Update: 2 March 2025

Please provide your input into yellow cells

Topic	Information important for IP site selection	Responses
Market analysis and financial conditions		
Land sales	How many square meters of industrial land was sold in the last year in the region?	
Size of growth	How much is the growth of industrial land purchase in the region in the last five years?	
Reasons for growth	What are main reason for the growth of industrial land purchase?	
Industrial land demand	What are economic activities buying industrial land in the region?	
Main products	What are the main products consumed in the region?	
Size industrial spaces	What are the size in m2 of other industrial spaces in the region?	
Economic activities	What are the main economic activities of other industrial spaces in the region?	
Value proposition	What is the value proposition of the other industrial spaces in the region?	
Financing	Are investors been identified and confirmed to provide financial resources for establishing the new industrial park?	
Regulatory framework		
Planning and design permits	What number of permits are required to initiate the planning and design of new industrial park?	
Construction permits	What is average time to obtain construction permit and initiate construction and development of industrial park?	
Operating permits	What number of permits are required to initiate the operation of the new industrial park?	
Incentives	Can the new industrial park benefit from incentive programmes / schemes?	
Government support	Is there government support for the construction of new industrial park?	
Infrastructure and hard components		
Existing infrastructure	What are existing key infrastructures already established in the region?	
Planned infrastructure	What are key infrastructures planned or under development in the region?	
Existing industrial spaces	How many other industrial spaces are already operating in the region?	
Environmental conditions		
Natural resources	Which natural resources are abundantly available in the region?	
Natural resources	Which natural resources are scarce or are becoming scarce in the region?	
Natural disasters	What are risks for natural disasters in the region?	
Social		
Universities	How many universities are in the region?	
Technical schools	How many technical schools and training institutions are in the region?	

Step 2: Basic information on potential industrial sites

List of available sites for potential development in selected region

- Precise location and area boundaries
- Costs and availability of land
- Existing and allowed land uses
- Possible land ownership models
- Distance from existing industrial parks / areas
- Distance to major settlements
- Access to skilled workers
- Government and community support
- Sensitivity and risks
 - Location of sensitive areas
 - Flooding, droughts, fires, earthquakes, encroaching communities
- Connectivity
 - Distance and connectivity to roads network
 - Distance and connectivity to rail network
 - Distance and connectivity to port facilities
- Utilities
 - Electricity supply (e.g. distance to nearest sub-station / power facility)
 - Water supply (e.g. distance from water source for domestic and industrial purposes)
 - Effluent discharge (e.g. distance to disposal point)
 - Drainage (e.g. distance of major rivers or drains)

Step 3: Short-list potential industrial sites

Objective: Eliminate locations which do not meet minimum criteria for a new industrial park

Examples of minimum criteria:

- Envisaged land uses and targeted industry sectors are permitted in the zoning classifications
- Clear evidence that site meets the strategic and market-driven interests of targeted investors
- Site had good potential to be connected to cost-competitive and sustainable energy and water supplies to meet future demands of companies in industrial park
- Site had good potential to be connected cost-effectively to required transportation nodes (e.g. roads, rail, port) to meet all future demands of companies in industrial park
- Topographic conditions (e.g. Land slope, relief, soil) are favourable to develop site cost-effectively into the envisaged (eco-) industrial park
- Site is not prone to significant economic, technical, environmental and social risks
- Site is located within reasonable daily commuting distance of local workers

One criterion not fulfilled = Need to have discussion on suitability of the site location.

Step 4: Multi-criteria analysis of short-listed sites

Typical criteria included in MCA to differentiate between industrial site options

Category	Criteria
Costs	Costs to purchase site
	Cost to make the site project-ready for new companies
Location	Strategic location to attract targeted sectors and investors
Land	Size, shape and slope of industrial land
Negotiations	Complexity of negotiations to obtain site
Connectivity	Connectivity of site to road, rail, port
Infrastructure	Utilization of existing infrastructures, utilities, services
Energy	Price and security of energy supplies
Water	Price and security of water supplies
Stakeholders	Level of stakeholder support (e.g. government, local communities)
Labour	Local availability of skilled workers
Risks	Environmental risks facing site (e.g. climate change, droughts, flooding)
	Economic and political risks facing site (e.g. governmental approvals, inflation)
	Social risks facing site (e.g. community encroachment, strikes, labour issues, crime)
Other	Add other criteria as required

Step 4: Multi-criteria analysis of short-listed sites

Practical example

Category	Criteria	Unit	Cost or benefit?	Weight (0.5-2)	Basis, assumptions, sources for assessment
Cost	Costs to purchase site	Million US\$	Cost	2	Estimate includes CAPEX only
Cost	Cost to make the site project-ready for new companies	Million US\$	Cost	2	Estimate includes CAPEX only
Location	Strategic location to attract targeted sectors and investors	Scale	Benefit	1	Unit value 1 = Limited strategic location Unit value 5 = Highly strategic location
Land	Size, shape and slope of industrial land	Scale	Benefit	1	Unit value 1 = Unfavourable size, shape, and slope of industrial land Unit value 5 = Favourable size, shape, and slope of industrial land
Negotiations	Complexity of negotiations to obtain site	Scale	Benefit	1	Unit value 1 = Low complexity Unit value 5 = High complexity
Connectivity	Connectivity of site to road, rail, port	Scale	Benefit	1	Unit value 1 = Unfavourable connectivity Unit value 5 = Favourable connectivity
Existing services	Utilization of existing infrastructures, utilities, services	Scale	Benefit	1	Unit value 1 = Unfavourable utilization Unit value 5 = Favourable utilization
Energy	Price and security of energy supplies	Scale	Benefit	1	Unit value 1 = Low price and high supply security Unit value 5 = High high and low supply security
Water	Price and security of water supplies	Scale	Benefit	1	Unit value 1 = Low price and high supply security Unit value 5 = High high and low supply security
Stakeholders	Level of stakeholder support (e.g. government, local communities)	Scale	Benefit	1	Unit value 1 = Low level of stakeholder support Unit value 5 = High level of stakeholder support
Labour	Local availability of skilled workers	Scale	Benefit	1	Unit value 1 = Limited availability Unit value 5 = High availability
Risks	Environmental risks facing site (e.g. climate change, droughts, flooding)	Scale	Benefit	1	Unit value 1 = High environmental risks Unit value 5 = Low environmental risks
Risks	Economic and political risks facing site (e.g. governmental approvals, inflation)	Scale	Benefit	1	Unit value 1 = High economic and political risks Unit value 5 = Low economic and political risks
Risks	Social risks facing site (e.g. community encroachment, strikes, labour issues, crime)	Scale	Benefit	1	Unit value 1 = High social risks Unit value 5 = Low social risks
Other	Add other criteria as required	Insert unit	Please select	1	Add basis, assumptions, sources as required
Other	Add other criteria as required	Insert unit	Please select	1	Add basis, assumptions, sources as required
Other	Add other criteria as required	Insert unit	Please select	1	Add basis, assumptions, sources as required

Name of short-listed IP site - Example 1	Name of short-listed IP site - Example 2	Name of short-listed IP site - Example 3	Name of short-listed IP site - Example 4	Name of short-listed IP site - Example 5
Unit value	Unit value	Unit value	Unit value	Unit value
3	5	4	2	3.5
2.5	1	2	1	4
5	2	4	3	2
4	3	5	4	1
3	4	4	3	3
3	3	4	4	3
4	2	3	5	2
4	4	5	4	1
3	5	3	4	3
3	3	3	5	2
4	3	5	4	2
3	3	4	5	3
2	2	3	3	2
2	3	4	4	1

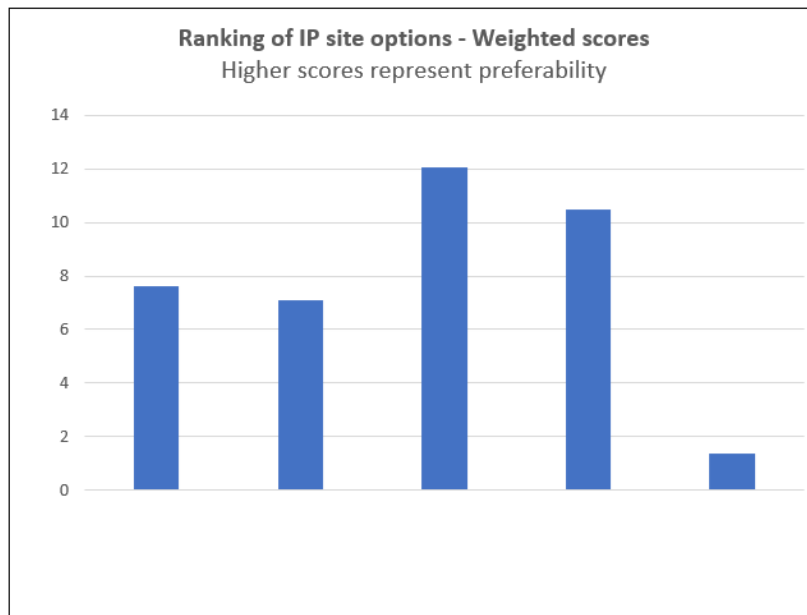
Name of short-listed IP site - Example 1	Name of short-listed IP site - Example 2	Name of short-listed IP site - Example 3	Name of short-listed IP site - Example 4	Name of short-listed IP site - Example 5
Weighted standardized score	Weighted standardized score	Weighted standardized score	Weighted standardized score	Weighted standardized score
1.3	0.0	0.7	2.0	1.0
1.0	2.0	1.3	2.0	0.0
1.0	0.0	0.7	0.3	0.0
0.8	0.5	1.0	0.8	0.0
0.0	1.0	1.0	0.0	0.0
0.0	0.0	1.0	1.0	0.0
0.7	0.0	0.3	1.0	0.0
0.8	0.8	1.0	0.8	0.0
0.0	1.0	0.0	0.5	0.0
0.3	0.3	0.3	1.0	0.0
0.7	0.3	1.0	0.7	0.0
0.0	0.0	0.5	1.0	0.0
0.0	0.0	1.0	1.0	0.0
0.3	0.7	1.0	1.0	0.0
0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0

Accumulative score	6.8	6.6	10.8	13.0	1.0
Comparative option ranking (from high to lowest)	3	4	2	1	5
Most favourable option = High accumulative MCA score Least favourable option = Lowest accumulative score				Most favourable option based on weighted MCA	

Step 4: Multi-criteria analysis of short-listed sites

Practical example

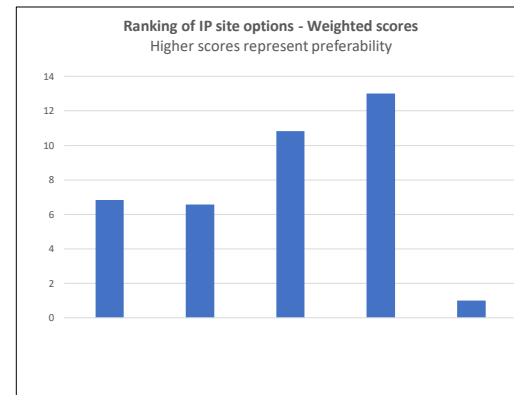
Accumulative score	7.6	7.1	12.1	10.5	1.4
Comparative option ranking (from high to lowest) Most favourable option = High accumulative MCA score Least favourable option = Lowest accumulative score	3	4	1 Most favourable option based on weighted MCA	2	5



Tool demonstration

- Demonstration of a Site Selection & Feasibility Tool for new industrial parks
- Participants to question and comment on methodology and its applicability to Ukraine

Accumulative score	6.8	6.6	10.8	13.0	1.0
Comparative option ranking (from high to lowest)	3	4	2	1	5
Most favourable option = High accumulative MCA score Least favourable option = Lowest accumulative score				Most favourable option based on weighted MCA	



Note: This is not a formal UNIDO tool, but Excel file based on practical experiences on IP site selection

Unique value proposition (UVP) of industrial park

UVP offers a clearly articulated benefit to investors and companies, providing them something that competing parks can't or don't offer

The site selection strongly determines the UVP of industrial park

Key questions to define UVP

- What are key strengths of your industrial park?
- What are the desired investors / industries?
- Why should they invest in your industrial park, and not elsewhere?
- How do you attract these industries?



Unique value proposition (UVP) – Example East London Industrial Development Zone, South Africa



EIP approach provides an opportunity for the ELIDZ to differentiate itself from other industrial parks as well as providing a strong case on why companies are better off locating to industrial zone which pro-actively applies EIP approaches.

- “ELIDZ is a green IDZ, with good ICT connectivity and logistical infrastructure (e.g. port, airport, roads), supporting by the availability of affordable labour and a strong manufacturing base”
- “ELIDZ have access to secure and stable green energy”
- “There is a cost effective, reliable, sustainable and high quality water supply available to investors”
- “ELIDZ has supportive clusters to feed into your business processes”
- "ELIDZ has strong green ambitions and offers a range of shared services to investors (e.g. ICT, clinic, Science and Technology Park”
- “ELIDZ offers a modern customized space in a technology enabled zone which is ready for future smart requirements and where connectivity is fast”
- “ELIDZ offers great connectivity and is powered by renewable energy”



Training module: EIP site selection and site review

Questions or comments?



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A woman wearing a white hard hat and a high-visibility safety vest is holding a clipboard. She is standing in front of a stack of shipping containers in an industrial setting. The image is partially overlaid with a blue semi-transparent banner.

Group work

One group per industrial park

- Service providers to spread their participation across the groups

10:30 – 12:00

Site selection and review site of industrial parks on minimum criteria

Sharing results from group work

13:00 – 14.15

Scope unique value proposition of your EIP

Sharing results from group work

After training, request is for all parks to submit results from exercises to GEIPP team for further assessment.

Step 2 in IP Site Selection & Feasibility Tool

- Which basic information do you have on your site?
- Which basic information is missing?

BASIC INFORMATION ABOUT IDENTIFIED POTENTIAL SITES FOR NEW INDUSTRIAL PARK
update: 30 July 2024

Please provide your input into yellow cells

Key considerations for: • Identify potential sites (so-called "candidate sites") for industrial IP identifying potential sites for • Land acquired shall be sufficiently large to provide space for major industrial park; • Investigate environmental sensitivity of the search area and its suit

Information important for IP site selection	IDENTIFY		
	Insert name of potential IP site	Insert name of potential IP site	Insert name of potential IP site
Basic information			
Precise location and area boundaries			
Existing and allowed land uses			
Land ownership - government or private Land lease in acquisition			
Land availability - extent of land to suit to the industrialization demand			
Distance from existing industrial parks / zones			
Distance to the major settlements			
Sensitivity and risks			
Environmental sensitivity of the site to suit to the nearby industrial development			
Distance from sensitive areas			
Environmental risks (e.g. flooding, drought, fires, earth quakes)			
Connectivity			
Distance and connectivity to roads network			
Distance and connectivity to rail network			
Distance and connectivity to port facilities			
Utilities			
Electricity supply (e.g. distance of nearest (and final) sites from nearest existing sub-station / power plant)			

Step 3 in IP Site Selection & Feasibility Tool

- Which criteria does your site meet?
- Which criteria are not met by your site?
- What are implications for further development of your site for each criterion which is not met?

SHORT-LIST POTENTIAL SITES FOR NEW INDUSTRIAL PARK
update: 30 July 2024

Please provide your input into yellow cells

Objectives: • Rapid assessment of sites or their suitability based on social, economic or • Shortlist most suitable site meeting with the targeted industrial develop • Eliminate locations which do not meet minimum criteria for developing

Topic	Short-listing criteria (score can be adjusted according to project context)	Insert name of potential IP site	
		Rating	Comments
Land availability and costs	Site is available for acquisition at a competitive price within the timeframe of the envisaged (eco-) industrial park development	Please select	Please select
Zoning	Envisaged land uses and targeted industry (sub-)sectors for industrial park are permitted in the zoning classifications	Please select	Please select
Compliance	Site is compliant and aligned with national / provincial / local master plans, urban plans, land use plans	Please select	Please select
Market driven	There is clear evidence that site meets the strategic and market-driven interests of targeted investors and industry (sub-)sectors	Please select	Please select
Energy supply	Site had good potential to be connected to cost-competitive and sustainable energy supplies (e.g. electricity, gas, renewables) to meet all future demands of companies in industrial park	Please select	Please select



Group work: Define unique value proposition of your EIP



Key questions for UVP	Response for your industrial park
What are key strengths of your industrial park?	
What are the desired investors / industries for your park?	
Why should they invest in your industrial park, and not elsewhere? <ul style="list-style-type: none">• How are you different in comparison with other parks?	
How will you attract these industries?	