

# The Political Economy of Place-Based Policies with a Focus on Special Economic Zones

## Best Practices: The Key Development Factors

Deborah S. Porte SEZ Expert, Washington DC

Warsaw | April 23-24, 2015

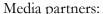
Partners:

















### **Best Practice: SEZ Framework**

- Legal, Regulatory and Institutional

## Development of Zones: TWO Critical Factors

## 1. Find the RIGHT Site/Location

#### - SITE ASSESSMENTS

- Context and locational attributes
- Site characteristics such as size, land ownership, expansion, topography, and soil conditions
- Access and proximity to national transportation infrastructure (air, sea, rail, road)
- Availability of existing on and off-site infrastructure and utilities
- Environmental and social constraints or issues (including resettlement)
- Quality of life factors
- Existing markets
- Labor resources
- Other existing industrial clusters in the area.





Partners:











## 2. Make sure the project is viable

#### - FEASIBILITY STUDIES

### - COMPONENT 1: Industry/Market Assessment

- Determines locational comparative and competitive advantages
- Identifies target markets, plot sizes and employment
- Provides demand projections (short/mid/long term-20 yr)

#### - COMPONENT 2: Master Planning

- Sets out planning framework (regional, local, site specific)
- Develops a master plan, initial land use/zoning, phasing plans and design guidelines for the site
- Prepares conceptual infrastructure plans for power, water, drainage, waste water, telecom etc. And provides inital cost estimates
- Examines environmental and social issues/concerns including resettlement

#### - COMPONENT 3: Economic Assessment

- Outlines the economic cost/benefits of the project (ERR)

#### -COMPONENT 4: Financial Assessment

- Prepares a financial model/sensitivity analysis (IRR)





Partners:









