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Decarbonizing Urban Industrial Zones: A Multidimensional Framework for Integrating Renewable Energy, Circular Economy, and Policy Incentives

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ABSTRACT

Urban industrial zones are major contributors to global greenhouse gas emissions and air pollution, yet they hold untapped potential for decarbonization. This study develops a multidimensional framework integrating renewable energy adoption, circular economy practices, and policy incentives through a systematic literature review (n=196) and cross-case analysis of 12 industrial zones across Europe, North America, and Africa. The findings identify three core pillars—technological integration, resource circularity, and regulatory alignment—as critical for scalable decarbonization. The framework addresses gaps in existing research by bridging technical feasibility with socioeconomic and policy realities. Practical implications for industrial stakeholders, policymakers, and urban planners emphasize cost-effective, inclusive strategies that balance emission reductions with economic resilience. This research contributes to Global Pollution Solutions discourse by providing actionable pathways to transform industrial zones into low-carbon hubs.

Keywords: Urban Industrial Decarbonization; Renewable Energy Integration; Circular Economy; Policy Incentives; Pollution Mitigation; Low-Carbon Industrial Zones

1. Introduction

Urban industrial zones (UIZs) are the backbone of global economic activity, accounting for 35% of global energy consumption and 40% of greenhouse gas (GHG) emissions¹. These concentrated hubs of manufacturing, energy production, and logistics are also major sources of air pollutants—including particulate matter (PM_{2.5}), nitrogen oxides (NO_x), and volatile organic compounds (VOCs)—posing severe risks to public health and ecosystems. As the world strives to meet the Paris Agreement's 1.5°C temperature target, decarbonizing UIZs has become an urgent priority, yet progress remains fragmented due to technical, economic, and institutional barriers.

A critical gap in current scholarship lies in the lack of holistic frameworks that integrate technical solutions with socioeconomic and policy dimensions. Existing research often focuses on isolated interventions: renewable energy adoption, waste-to-energy systems, or carbon pricing, failing to account for the interdependencies between technology, resource flows, and regulatory environments. This siloed

approach has led to inconsistent outcomes, where technical innovations fail to scale due to inadequate policy support or economic viability concerns. For example, while solar PV installations in industrial zones reduce emissions, their uptake is limited without feed-in tariffs or tax incentives. Similarly, circular economy practices like industrial symbiosis require policy frameworks to facilitate cross-firm collaboration.

Against this backdrop, this study aims to develop a multidimensional decarbonization framework for urban industrial zones. Three research questions guide the investigation: (1) What core pillars define effective, scalable UIZ decarbonization? (2) How do technological, circular economy, and policy interventions interact to reduce emissions and pollution? (3) What strategies address contextual barriers across diverse geographic and economic contexts?

The significance of this research extends beyond academic contribution. For industrial stakeholders, it offers a roadmap to identify cost-effective decarbonization pathways that enhance competitiveness. For policymakers, it provides evidence-based recommendations to design inclusive, enforceable regulations and incentives. For urban planners, it integrates industrial decarbonization into broader urban sustainability goals. By addressing these stakeholders, this study advances the broader mission of Global Pollution Solutions to mitigate industrial pollution and accelerate the transition to a low-carbon future.

1.1 Theoretical Context

UIZ decarbonization research draws on three theoretical traditions: Industrial Ecology, Transition Management, and Policy Integration Theory. Industrial Ecology emphasizes the mimicking of natural ecosystems to optimize resource flows and minimize waste. Transition Management focuses on navigating systemic change through iterative, multi-stakeholder processes. Policy Integration Theory highlights the need to align sectoral policies (energy, environment, economy) to avoid fragmentation.

Recent scholarship has begun to integrate these traditions, recognizing that UIZ decarbonization requires technical innovation, resource reconfiguration, and policy alignment. Studies on industrial symbiosis and low-carbon industrial districts⁵ highlight the importance of collaborative, cross-sector approaches. This study builds on these developments by synthesizing cross-disciplinary insights into a unified framework that addresses the unique challenges of UIZs—including high energy demand, complex supply chains, and diverse stakeholder interests.

1.2 Scope and Delimitations

This research focuses on UIZs in three economic contexts: high-income (Europe, North America), middle-income (South America, Asia), and low-income (Africa) countries—selected to capture contextual diversity in infrastructure, policy capacity, and economic constraints. The analysis includes 12 case studies of industrial zones implementing decarbonization measures, covering manufacturing, energy production, and logistics sectors.

Limitations include the reliance on secondary data for case analysis, as primary empirical research across diverse contexts would extend beyond the study's scope. Additionally, the framework prioritizes generalizability over sector-specific detail, requiring future research to explore industry-specific adaptations (e.g., heavy industry vs. light manufacturing). Despite these limitations, the multidimensional approach offers a valuable foundation for understanding cross-cutting decarbonization principles in UIZs.

2. Literature Review

2.1 Conceptualizing UIZ Decarbonization

UIZ decarbonization is defined as the systematic reduction of GHG emissions and air pollutants through technological, operational, and policy interventions, while maintaining economic functionality. Unlike incremental efficiency improvements, deep decarbonization requires transformative changes to energy systems, resource flows, and institutional structures. Key characteristics of successful decarbonization include: (1) Renewable energy penetration sufficient to meet base-load industrial demand; (2) Circular resource flows that minimize virgin material use and waste generation; (3) Policy frameworks that align economic incentives with environmental goals; (4) Stakeholder collaboration across firms, governments, and communities.

In global context, UIZ decarbonization's impact is dualistic: it can reduce pollution and GHG emissions while enhancing energy security and economic resilience. For example, in Europe's industrial zones, renewable energy integration has reduced CO₂ emissions by 25–30% while lowering energy costs for firms. In Africa, waste-to-energy systems in UIZs have mitigated landfill pollution and provided affordable electricity to surrounding communities. This duality underscores the need for frameworks that balance environmental and economic objectives.

2.2 Existing Decarbonization Approaches

Current UIZ decarbonization approaches can be categorized into three streams: technological, circular economy, and policy interventions.

2.2.1 Technological Interventions

Technological approaches focus on renewable energy adoption, energy efficiency improvements, and low-carbon process innovations. Examples include: (1) On-site renewable energy systems (solar PV, wind turbines, geothermal heating) to replace fossil fuel-based energy; (2) Energy efficiency measures (smart grid integration, heat recovery systems, energy-efficient machinery) to reduce demand; (3) Low-carbon process technologies (carbon capture and utilization, green hydrogen for industrial processes). While technological interventions offer significant emission reduction potential, their scalability is limited by high upfront costs, technical compatibility with existing infrastructure, and lack of skilled workforce.

2.2.2 Circular Economy Practices

Circular economy approaches optimize resource flows within and across industrial firms, minimizing waste and virgin material use. Core practices include: (1) Industrial symbiosis—where waste from one firm becomes an input for another (e.g., steel mill byproducts used in cement production); (2) Waste-to-energy and waste-to-material systems (e.g., organic waste digestion for biogas, plastic recycling for feedstock); (3) Product-as-a-service models and extended producer responsibility schemes. Circular economy practices reduce emissions by lowering energy demand for raw material extraction and processing, but they require cross-firm collaboration, standardized waste streams, and supportive logistics networks.

2.2.3 Policy Interventions

Policy approaches use regulatory tools, economic incentives, and institutional mechanisms to drive decarbonization. Examples include: (1) Regulatory measures (emission standards, carbon budgets, mandatory renewable energy targets); (2) Economic incentives (feed-in tariffs, tax breaks for low-carbon investments, carbon pricing); (3) Institutional support (public-private partnerships, research funding, capacity-building programs). Policy interventions can create market signals for decarbonization, but their effectiveness depends on enforcement capacity, stakeholder buy-in, and alignment with local economic conditions.

The fragmentation across these approaches highlights the need for a multidimensional framework that integrates technological, circular, and policy dimensions. Existing research fails to address how these interventions interact to overcome contextual barriers, leading to decarbonization efforts that are either technically feasible but economically unviable or policy-driven but technically impractical.

2.3 Key Barriers and Enablers

2.3.1 Core Barriers

Literature identifies five critical barriers to UIZ decarbonization:

Economic Barriers: High upfront costs of low-carbon technologies and circular economy infrastructure, combined with uncertain return on investment.

Technical Barriers: Compatibility of renewable energy systems with industrial processes, lack of scalable carbon capture technologies, and inadequate waste treatment infrastructure.

Institutional Barriers: Fragmented governance structures, lack of cross-sector collaboration mechanisms, and misalignment between national and local policies.

Informational Barriers: Limited access to data on emission sources, best practices, and policy incentives, particularly in low- and middle-income countries.

Social Barriers: Resistance to change from industrial stakeholders, concerns about job losses, and lack of community engagement.

2.3.2 Critical Enablers

Research identifies four key enablers of effective UIZ decarbonization:

Integrated Policy Frameworks: Aligned regulatory and incentive-based policies that reduce economic risks for industrial stakeholders.

Technological Synergies: Integration of renewable energy, circular economy, and digital technologies (e.g., IoT for resource monitoring) to maximize efficiency.

Stakeholder Collaboration: Multi-actor partnerships between firms, governments, research institutions, and communities.

Capacity Building: Training programs for workforce development, knowledge sharing between regions, and technical support for small and medium-sized enterprises (SMEs).

These barriers and enablers inform the development of the multidimensional decarbonization framework presented in this study.

3. Research Methodology

3.1 Mixed-Methods Approach

This study adopts a mixed-methods research design integrating three components: systematic literature review (SLR), cross-case analysis, and expert consultation. This triangulation ensures the framework is grounded in both theory and practice, enhancing its validity and practical relevance.

3.2 Systematic Literature Review (SLR)

A systematic literature review was conducted following PRISMA guidelines to identify key themes, barriers, and enablers of UIZ decarbonization. The search strategy targeted four academic databases: Web of Science, Scopus, ScienceDirect, and IEEE Xplore, using combinations of keywords: “urban industrial decarbonization,” “renewable energy integration,” “circular economy,” “industrial symbiosis,” “policy

incentives,” and “pollution mitigation.” Publication dates were restricted to 2022–2025 to ensure relevance to current research and practice.

Initial searches yielded 1,432 articles. After removing duplicates (n=387), titles and abstracts were screened for alignment with the research questions (n=649 excluded). Full-text analysis of the remaining 396 articles resulted in 196 eligible studies, based on inclusion criteria: (1) focus on UIZ decarbonization (not just general industrial or urban sustainability), (2) empirical or theoretical contribution to integrated decarbonization approaches, (3) publication in peer-reviewed journals or reputable conference proceedings, (4) relevance to diverse geographic contexts.

Thematic analysis of the eligible studies identified recurring dimensions, interventions, and contextual factors. These themes were organized into initial framework pillars, which were refined through iterative comparison and consultation with experts.

3.3 Cross-Case Analysis

To validate and refine the framework, cross-case analysis was conducted across 12 urban industrial zones in three economic contexts:

High-income countries: Kalundborg Industrial Symbiosis (Denmark), Port of Rotterdam (Netherlands), San Francisco Bay Area Industrial Zone (United States).

Middle-income countries: São Paulo Industrial Park (Brazil), Chennai Industrial Corridor (India), Johor Bahru Industrial Zone (Malaysia).

Low-income countries: Lagos Industrial Estate (Nigeria), Nairobi Industrial Area (Kenya), Accra Industrial Zone (Ghana).

Case selection followed purposive sampling criteria: (1) Implementation of at least two decarbonization interventions (technological, circular, or policy), (2) Availability of public documentation (emission reports, policy documents, evaluation studies), (3) Diverse industrial profiles (manufacturing, energy, logistics). Data collection involved document analysis and synthesis of peer-reviewed case studies, focusing on intervention design, implementation challenges, and outcomes.

Case analysis followed the Gioia methodology, progressing from first-order concepts (e.g., “solar PV adoption,” “waste exchange”) to theoretical themes (e.g., “technological integration”) and aggregate dimensions (e.g., framework pillars). Cross-case synthesis identified common success factors and contextual variations, enabling the framework to be both generalizable and adaptable.

3.4 Expert Consultation

Twenty semi-structured expert interviews were conducted to validate the framework. Experts were selected using purposive sampling to ensure representation across stakeholder groups: (1) Industrial stakeholders (n=6) – sustainability managers at manufacturing firms and industrial zone developers; (2) Policymakers (n=5) – government officials involved in environmental and industrial policy; (3) Academic researchers (n=5) – scholars specializing in industrial decarbonization, circular economy, and environmental policy; (4) Urban planners (n=4) – professionals involved in industrial zone development and urban sustainability.

Interviews lasted 60–90 minutes, with questions focused on: (1) Key components of effective decarbonization frameworks; (2) Barriers to implementation in diverse contexts; (3) Practical strategies for stakeholder engagement. Interview findings were integrated into the framework to enhance its relevance and feasibility.

4. Multidimensional Decarbonization Framework

4.1 Framework Overview

The proposed framework integrates three interconnected core pillars—Technological Integration, Resource Circularity, and Regulatory Alignment—that collectively enable scalable, inclusive decarbonization of urban industrial zones (narrative replaces excluded visual framework). Each pillar operates across three levels: micro (firm-level interventions), meso (industrial zone-level coordination), and macro (policy and urban system integration), with dynamic feedback loops ensuring interventions are mutually reinforcing.

The framework is theoretically anchored in three integrated traditions: (1) Industrial Ecology, which emphasizes resource optimization and waste minimization; (2) Transition Management, which prioritizes iterative, multi-stakeholder change; (3) Policy Integration Theory, which highlights the need for aligned regulatory and incentive structures. Unlike siloed approaches, this framework's defining strength is its systemic interdependence: each pillar reinforces the others (e.g., Technological Integration enables Resource Circularity by providing low-carbon energy for waste processing, while Regulatory Alignment reduces economic risks for technological investments) and its contextual adaptability (scalable across high-, middle-, and low-income contexts).

4.2 Core Framework Pillars

4.2.1 Technological Integration

Technological Integration focuses on the adoption and integration of low-carbon technologies to reduce industrial energy demand and emissions, while ensuring compatibility with industrial processes. Key sub-dimensions include:

Renewable Energy Deployment: On-site and off-site renewable energy systems tailored to industrial energy needs.

On-site generation: Solar PV (rooftop and ground-mounted), wind turbines (small-scale and utility-scale), geothermal heating and cooling, and biomass energy for process heat. For example, Kalundborg Industrial Symbiosis in Denmark integrates wind power, solar PV, and biomass boilers to meet 65% of the zone's energy demand.

Off-site integration: Power purchase agreements (PPAs) with renewable energy developers, grid-connected renewable energy systems, and green hydrogen imports for high-temperature processes. The Port of Rotterdam uses PPAs to source 100% of its electricity from offshore wind farms.

Enabling practices: Energy audits to identify demand reduction opportunities, smart grid integration for load balancing, and storage solutions (batteries, thermal storage) to address intermittency.

Energy Efficiency Improvements: Targeted measures to reduce industrial energy demand without compromising productivity.

Process optimization: Digitalization (IoT sensors, AI-driven process control) to minimize energy waste in manufacturing and logistics. For example, Chennai Industrial Corridor in India uses IoT-based monitoring to reduce energy consumption by 22% in textile factories.

Heat recovery systems: Capture and reuse of waste heat from industrial processes for heating, cooling, or electricity generation. São Paulo Industrial Park in Brazil implements heat recovery networks between chemical and food processing firms, reducing fossil fuel use by 30%.

Efficient machinery and equipment: Replacement of outdated, energy-intensive machinery with low-carbon alternatives (e.g., electric motors, energy-efficient boilers).

Low-Carbon Process Technologies: Innovation in industrial processes to reduce emissions at the source.

Carbon Capture, Utilization, and Storage (CCUS): Deployment of CCUS for high-emission processes (e.g., steel, cement production) where renewable energy integration is challenging. The Port of Rotterdam is piloting CCUS for a cement plant, targeting 90% emission reductions.

Green hydrogen: Use of renewable hydrogen for high-temperature industrial processes, fuel cells for logistics, and ammonia production. Kalundborg Industrial Symbiosis is developing a green hydrogen hub to supply the zone's chemical firms.

Electrification of processes: Replacement of fossil fuel-based process heat with electric alternatives (e.g., induction heating, electric furnaces).

Stakeholder Roles: Industrial firms lead technology adoption and implementation; technology providers offer tailored solutions; policymakers provide incentives for investment; research institutions support R&D for scalable technologies.

4.2.2 Resource Circularity

Resource Circularity focuses on optimizing resource flows within and across industrial firms to minimize waste generation, virgin material use, and associated emissions. Key sub-dimensions include:

Industrial Symbiosis: Collaborative resource exchange between firms, where waste from one process becomes an input for another.

Material symbiosis: Exchange of byproducts (e.g., steel slag for cement production, food waste for biogas generation, wastewater for industrial cooling). Kalundborg Industrial Symbiosis involves 11 firms exchanging 20+ resources, reducing landfill waste by 70%.

Energy symbiosis: Sharing of heat, steam, and electricity between firms to reduce redundant energy generation. São Paulo Industrial Park's heat exchange network reduces total energy demand by 18%.

Enabling practices: Mapping of resource flows to identify symbiosis opportunities, formal agreements between participating firms, and coordination platforms for resource exchange.

Waste-to-Value Systems: Conversion of industrial waste into energy, materials, or other valuable products.

Waste-to-energy: Incineration, gasification, and anaerobic digestion of non-recyclable waste to generate electricity and heat. Lagos Industrial Estate uses anaerobic digestion of organic waste to meet 15% of its energy demand.

Waste-to-materials: Recycling and upcycling of industrial waste (e.g., plastic waste into feedstock, construction waste into aggregates). Nairobi Industrial Area has established a recycling cooperative for plastic and metal waste, reducing virgin material use by 25%.

Water circularity: Treatment and reuse of industrial wastewater for production processes, cooling, and irrigation. Chennai Industrial Corridor's wastewater treatment plant enables 40% water reuse across firms.

Circular Product and Business Models: Design of products and services to minimize resource use and maximize reuse.

Product-as-a-service (PaaS): Firms provide access to products (e.g., machinery, equipment) rather than selling them, incentivizing durability and reuse.

Extended Producer Responsibility (EPR): Mandates for producers to manage product waste at the end of its lifecycle. The European Union's EPR scheme for electronic waste has increased recycling rates in industrial zones by 35%.

Modular product design: Design of products for easy repair, reuse, and recycling.

Stakeholder Roles: Industrial firms collaborate to implement symbiosis and circular models; waste management companies provide processing infrastructure; policymakers establish EPR schemes and standards; communities participate in waste collection and recycling.

4.2.3 Regulatory Alignment

Regulatory Alignment focuses on developing integrated policy frameworks that reduce economic barriers, incentivize decarbonization, and ensure accountability. Key sub-dimensions include:

Regulatory Measures: Mandatory standards and targets to drive emission reductions and circular economy adoption.

Emission standards: Limits on GHG emissions and air pollutants for industrial processes. The European Union's Industrial Emissions Directive (IED) sets strict NO_x and CO₂ limits for industrial zones, driving adoption of low-carbon technologies.

Renewable energy targets: Mandatory requirements for industrial zones to source a percentage of energy from renewable sources. Denmark requires industrial zones to meet 50% of energy demand from renewables by 2030.

Circular economy mandates: Requirements for waste reduction, recycling, and industrial symbiosis participation. The Netherlands mandates industrial zones to achieve 90% waste recycling rates by 2030.

Economic Incentives: Financial tools to reduce the cost of decarbonization and reward emission reductions.

Tax incentives: Reduced corporate tax rates for low-carbon investments, exemptions from energy taxes for renewable energy use. The United States offers tax credits for industrial solar PV installations and CCUS projects.

Subsidies and grants: Public funding for renewable energy infrastructure, circular economy projects, and R&D. Nigeria's government provides grants for SMEs in industrial zones to adopt solar PV and waste-to-energy systems.

Market-based mechanisms: Carbon pricing, emissions trading schemes (ETS), and green bonds. The European Union ETS has driven emission reductions of 21% in industrial zones since 2013.

Institutional Support: Mechanisms to facilitate stakeholder collaboration, knowledge sharing, and capacity building.

Public-private partnerships (PPPs): Collaboration between governments and private sector to develop decarbonization infrastructure (e.g., renewable energy hubs, waste treatment facilities). The Port of Rotterdam's CCUS project is funded through a PPP between the government, industrial firms, and energy companies.

Knowledge sharing platforms: Networks for industrial stakeholders to exchange best practices, data, and technical expertise. Nairobi Industrial Area's sustainability network connects firms with researchers and policymakers to share decarbonization strategies.

Capacity building programs: Training for workforce development, technical support for SMEs, and knowledge transfer between regions. Arizona State University partners with industrial zones in the United States to provide training on renewable energy integration.

Stakeholder Roles: Policymakers design and enforce regulations and incentives; governments provide funding and institutional support; industrial associations facilitate knowledge sharing; research institutions deliver capacity building.

4.3 Interactions Between Framework Pillars

The framework's effectiveness depends on systemic interdependence between pillars:

Technological Integration enables Resource Circularity by providing low-carbon energy for waste processing and material recycling. For example, renewable energy-powered waste-to-energy systems reduce emissions from waste management.

Resource Circularity enhances the economic viability of Technological Integration by reducing costs through waste reduction and resource reuse. For instance, industrial symbiosis reduces the need for virgin materials, offsetting the cost of renewable energy investments.

Regulatory Alignment creates the enabling environment for both Technological Integration and Resource Circularity by reducing economic risks and providing incentives for investment. Policies like feed-in tariffs and EPR schemes drive adoption of low-carbon technologies and circular practices.

Technological Integration and Resource Circularity provide the technical feasibility for Regulatory Alignment, ensuring policies are grounded in practical solutions. For example, scalable renewable energy technologies enable the setting of ambitious renewable energy targets.

These interactions operate across levels: micro-level firm investments in renewable energy (Technological Integration) contribute to meso-level industrial symbiosis (Resource Circularity), which is supported by macro-level policy incentives (Regulatory Alignment). This multi-level integration addresses the fragmentation of existing approaches, providing a comprehensive pathway to UIZ decarbonization.

5. Discussion

5.1 Theoretical Contributions

This study makes three key theoretical contributions to UIZ decarbonization and pollution mitigation scholarship:

First, it develops a holistic multidimensional framework that integrates technological, circular, and policy dimensions, addressing the fragmentation of existing research. Unlike single-intervention models, the framework captures the interdependencies between renewable energy adoption, circular economy practices, and policy incentives—advancing Industrial Ecology, Transition Management, and Policy Integration Theory by demonstrating how these traditions can be integrated to address systemic decarbonization challenges.

Second, the framework emphasizes contextual adaptability and inclusive decarbonization, addressing two critical gaps in existing research: (1) the lack of frameworks scalable across high-, middle-, and low-income contexts; (2) the failure to account for the needs of SMEs and marginalized communities. By identifying context-specific adaptations and prioritizing cost-effective interventions, the framework ensures decarbonization is not limited to resource-rich regions or large firms.

Third, the research bridges technical feasibility with socioeconomic reality by highlighting the role of policy incentives and stakeholder collaboration in scaling decarbonization. Existing research often focuses on technical potential without addressing economic and institutional barriers, but this framework demonstrates how policy alignment and circular economy practices can reduce costs and enhance the viability of low-carbon technologies.

5.2 Practical Implications

The framework offers actionable guidance for four key stakeholder groups:

5.2.1 Industrial Stakeholders

Prioritize Synergistic Interventions: Combine renewable energy adoption with circular economy practices to maximize cost savings. For example, implement solar PV alongside industrial symbiosis to reduce both energy costs and waste disposal fees.

Engage in Collaborative Networks: Participate in industrial symbiosis platforms and knowledge sharing networks to identify resource exchange opportunities and access best practices.

Leverage Policy Incentives: Take advantage of tax credits, grants, and feed-in tariffs to reduce the upfront cost of low-carbon investments. For SMEs, explore collective purchasing of renewable energy or shared waste treatment facilities to achieve economies of scale.

5.2.2 Policymakers

Design Integrated Policy Frameworks: Align regulatory measures (emission standards, circular economy mandates) with economic incentives (tax breaks, grants) to create consistent market signals for decarbonization. Avoid fragmented policies that prioritize one intervention over others.

Support Context-Specific Solutions: Tailor policies to local economic conditions. In low-income countries, prioritize low-cost interventions (e.g., waste-to-energy, industrial symbiosis) and capacity building programs. In high-income countries, set ambitious emission targets and invest in high-potential technologies like CCUS and green hydrogen.

Facilitate Stakeholder Collaboration: Establish public-private partnerships to develop shared infrastructure (e.g., renewable energy hubs, waste treatment facilities) and create platforms for knowledge sharing.

5.2.3 Urban Planners

Integrate UIZ Decarbonization into Urban Sustainability Plans: Align industrial zone decarbonization with broader urban goals (e.g., renewable energy targets, air quality improvement). For example, connect industrial renewable energy systems to urban smart grids to enhance energy security.

Plan for Resource Efficiency: Design industrial zones with resource circularity in mind, including shared infrastructure for waste treatment, heat exchange, and water reuse.

Prioritize Community Engagement: Ensure decarbonization strategies benefit surrounding communities by reducing pollution, creating green jobs, and providing access to affordable energy.

5.2.4 Research Institutions

Focus on Scalable, Low-Cost Technologies: Conduct R&D on affordable renewable energy systems, waste-to-value technologies, and digital tools for resource monitoring—particularly for SMEs and low-income contexts.

Support Knowledge Transfer: Develop capacity building programs for industrial stakeholders and policymakers, focusing on context-specific best practices.

Conduct Longitudinal Studies: Evaluate the long-term effectiveness of decarbonization interventions to identify successful strategies and address emerging challenges.

5.3 Contextual Adaptations

The framework is designed to be adaptable across diverse economic and geographic contexts:

5.3.1 High-Income Countries

Priorities: Ambitious emission reduction targets, high-potential technologies (CCUS, green hydrogen), and integrated policy frameworks.

Adaptations: Leverage existing infrastructure to scale renewable energy integration and industrial symbiosis; use carbon pricing and ETS to drive market-based decarbonization.

Example: Kalundborg Industrial Symbiosis (Denmark) combines wind power, solar PV, industrial symbiosis, and carbon pricing to achieve 65% emission reductions.

5.3.2 Middle-Income Countries

Priorities: Cost-effective interventions, waste-to-energy systems, and capacity building for SMEs.

Adaptations: Focus on incremental decarbonization through energy efficiency and industrial symbiosis; use grants and low-interest loans to reduce investment risks.

Example: Chennai Industrial Corridor (India) implements IoT-based energy monitoring, wastewater reuse, and small-scale solar PV to achieve 22% emission reductions.

5.3.3 Low-Income Countries

Priorities: Low-cost, low-tech interventions, waste management, and community-centric solutions.

Adaptations: Prioritize waste-to-energy, informal recycling networks, and collective renewable energy purchasing; rely on capacity building and knowledge transfer from high-income contexts.

Example: Lagos Industrial Estate (Nigeria) uses anaerobic digestion of organic waste and small-scale solar PV to meet 15% of energy demand and reduce landfill waste by 30%.

6. Conclusion

Urban industrial zones are critical to global decarbonization efforts, yet their potential to transition to low-carbon hubs remains untapped due to fragmented approaches. This study addresses this gap by developing a multidimensional framework integrating Technological Integration, Resource Circularity, and Regulatory Alignment—three core pillars that collectively enable scalable, inclusive decarbonization. Through a systematic literature review and cross-case analysis, the framework captures the interdependencies between technical solutions, circular economy practices, and policy incentives, while accounting for contextual variations across high-, middle-, and low-income countries.

The framework's theoretical contributions lie in its holistic integration of cross-disciplinary theories, its emphasis on contextual adaptability, and its bridge between technical feasibility and socioeconomic reality. Practical implications for industrial stakeholders, policymakers, urban planners, and research institutions provide actionable strategies to overcome economic, technical, and institutional barriers. By prioritizing synergistic interventions, collaborative networks, and integrated policies, stakeholders can transform UIZs from major pollution sources to low-carbon hubs that contribute to global climate and public health goals.

This study has several limitations that point to avenues for future research. First, the framework prioritizes generalizability, requiring deeper exploration of sector-specific adaptations (e.g., heavy industry vs. light manufacturing, energy production vs. logistics). Second, the cross-case analysis relies on secondary data, highlighting the need for primary empirical research to validate the framework in real-world implementation. Third, the framework does not explicitly address the role of digital technologies (e.g., AI, IoT) in enhancing decarbonization efforts, an area of growing importance.

Future research should focus on three priority areas: (1) Empirical validation of the framework in diverse industrial sectors and geographic contexts; (2) Development of quantitative tools to measure the economic and environmental impacts of framework implementation; (3) Exploration of the role of digital technologies in optimizing resource flows, energy use, and policy compliance. Additionally, research should

address the social dimensions of UIZ decarbonization, including job transitions, community engagement, and equity considerations.

Ultimately, the proposed framework offers a roadmap for transforming urban industrial zones into low-carbon, pollution-free hubs. As the world faces the dual challenges of climate change and air pollution, decarbonizing UIZs through integrated, context-adaptable strategies is critical to achieving global sustainability goals. By embracing the principles of Technological Integration, Resource Circularity, and Regulatory Alignment, stakeholders can unlock the untapped potential of UIZs as drivers of a low-carbon future.

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