

# “Privatizing” Urban Planning in Greece? Current Trends & Future Prospects

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ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ  
Εθνικόν και Καποδιστριακόν  
Πανεπιστήμιον Αθηνών



**ΚΤΗΜΑΤΟΛΟΓΙΟ Α.Ε.**

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# 1. The rise of the privatization issue in Greece

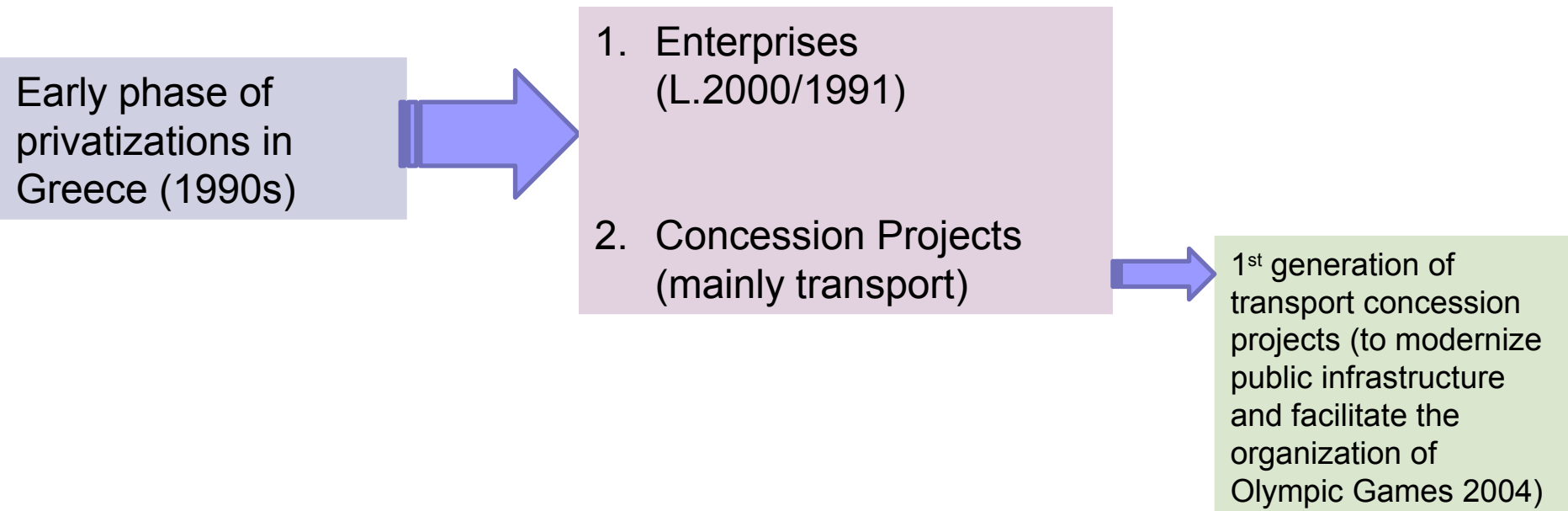
## Domestic Political & economic environment

- Privatization in Greece began in the early 1990s after the first election of the right-wing New Democracy Party.
- The government considered privatization as the main policy objective to reverse years of fiscal laxness (*deficit 19% compared to 3% in 1980 and debt 111,6% compared to 39,4% in 1980*), and issued a list of firms to be privatized in the framework of a 'Medium-Term Adjustment Programme for 1990-1993'.
- The initial stage of the Greek privatization program mainly involved enterprises belonging to the public sector.

## European Political & economic environment

- Maastricht Treaty (December 1991)
- Adoption of euro convergence criteria (Maastricht criteria): the criteria for **European Union** member states to enter the third stage of European **Economic and Monetary Union** (EMU) and adopt the euro as their currency. (Article 121(1) of the European Community Treaty). Among them:
  - Government debt: max. 60% of GDP
  - Government deficit: max. 3% of GDP

# 1. The rise of the privatization issue in Greece



## 1.1. The first steps in the 1990s and 2000s

### The Transport Concession Projects in the 1990s (1<sup>st</sup> generation of concession projects)

- The Rion–Antirion Bridge along with Attiki Odos and the Athens International Airport were the **three first projects** to be procured as **PPPs** in Greece with the instrumental support of Structural Funds and EIB's long-term lending

Rion- Antirion Bridge



Attica Highway



El.Venizelos Airport



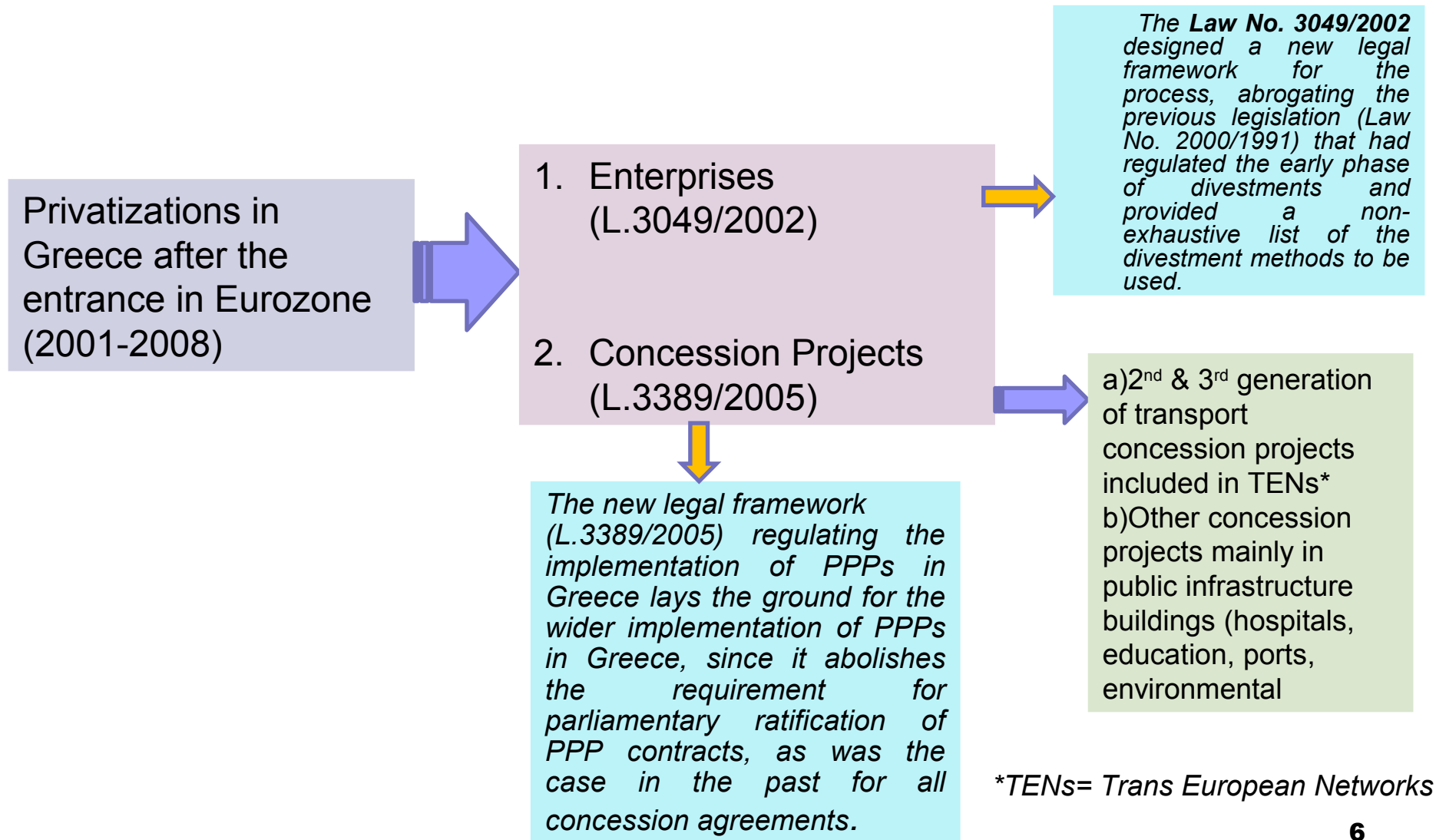
L.2395/1996

L.2445/1996

L.2338/1995

•Not a specific legal framework for PPP's but parliamentary ratification of the concession agreements

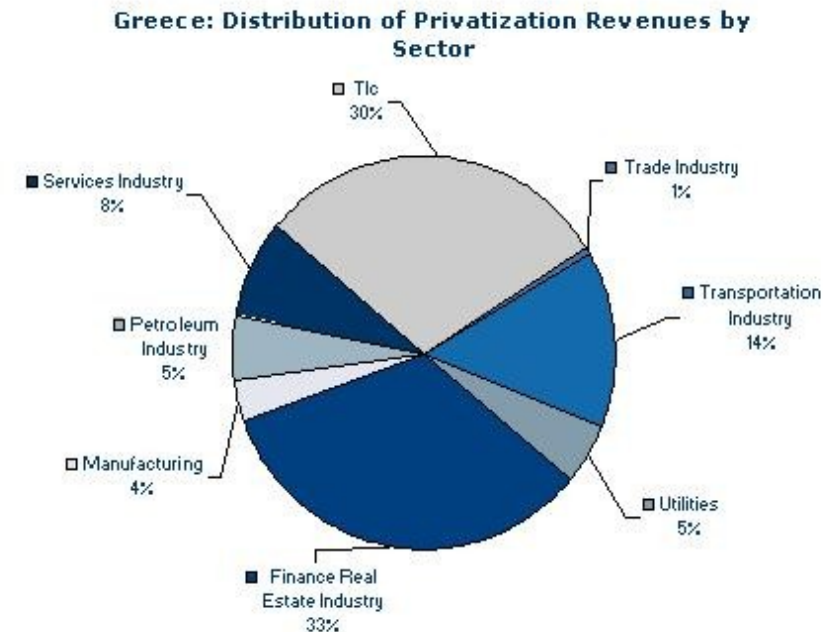
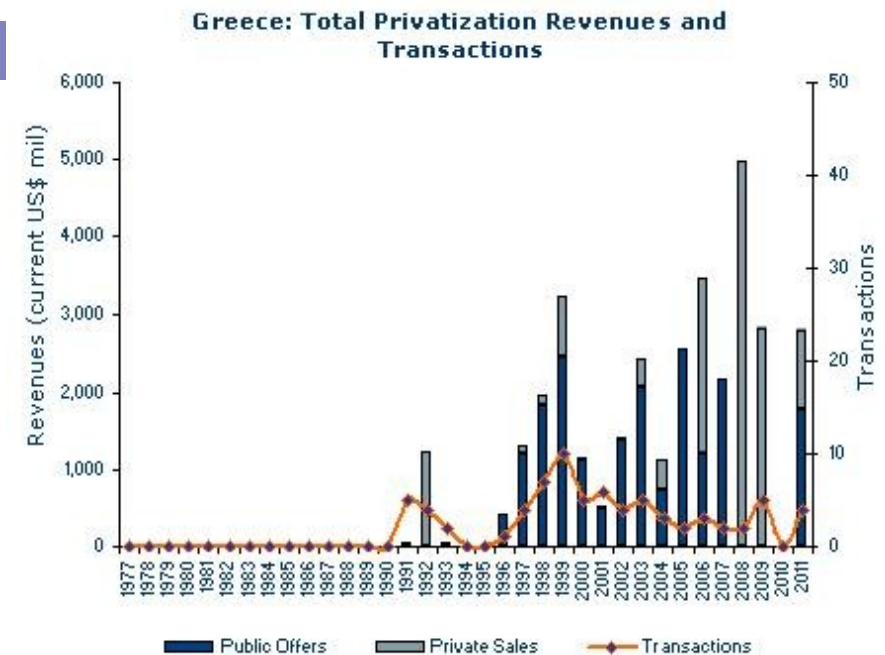
# 1.1. The first steps in the 1990s and 2000s



# 1.1. The first steps in the 1990s and 2000s



- Total Privatizations Revenues in Greece (1991-2007) > 23 billion €
- Privatizations → mainly state-owned corporation & enterprises in the telecommunications industry and the financial sector (banks)



Source: Privatization barometer

# 1.1. The first steps in the 1990s and 2000s

## Privatizations in 1990s

COUNTRY	PRIVATIZATIONS (% GDP)
BELGIUM	3
FRANCE	4,2
GERMANY	1,1
DENMARK	2,9
<b>GREECE</b>	<b>8,8</b>
ITALY	8,2
NORWAY	1,7
NETHERLANDS	2,7
PORTUGAL	20,2
<b>EU 15</b>	<b>4,2</b>

Source: Schneider F., 2003, "Privatization in OECD counties"

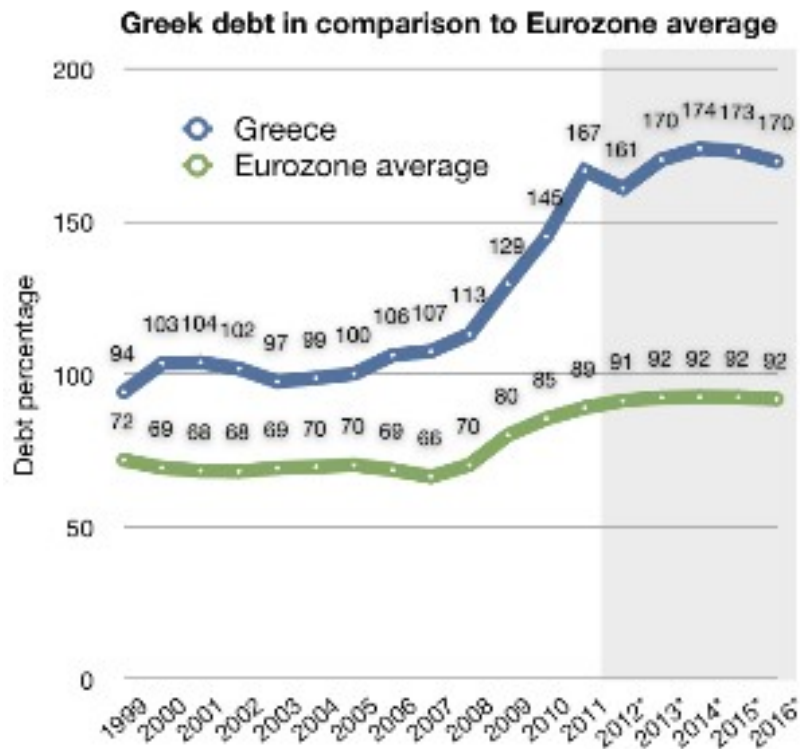
## Privatizations in Greece 1991-2008

Period	Number	Revenues (% GDP)
1991-1993	13	1,2
1993-1996	1	0,3
1996-2000	26	5,8
2000-2004	18	3,3
2004-2008	8	4,2

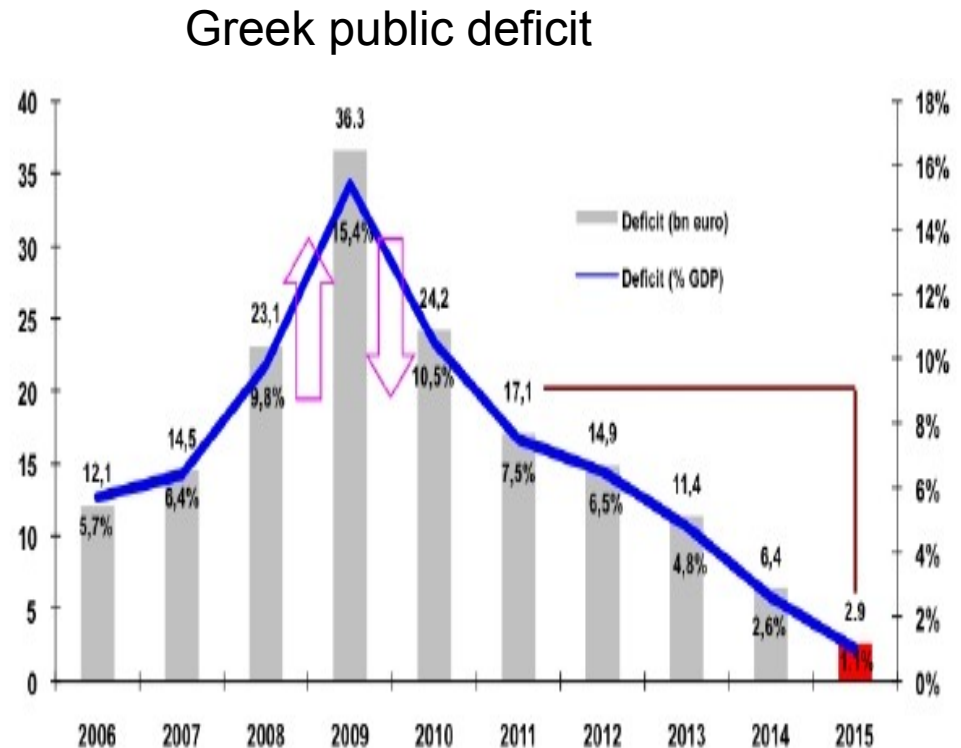
Source: Privatization Barometer



## 1.2. The Privatization issue after the economic crisis: 2010-2012



Source: Eurostat  
\*estimates

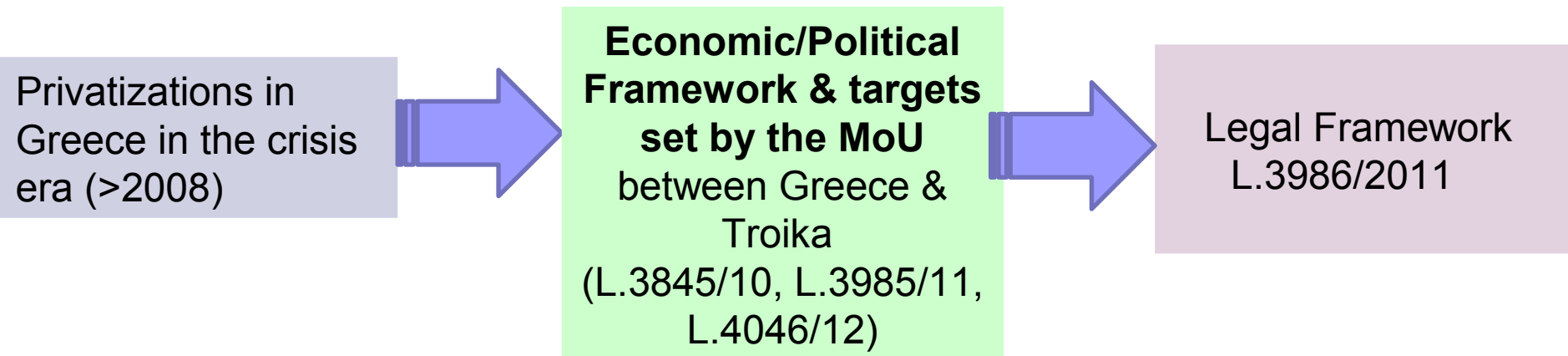


Source: MTFS 2012-2015

### **Greek economic crisis: 2009-as of today**

- High public debt and public deficit
- Lack of competitiveness
- Economic recession

## 1.2. The Privatization Issue after the economic crisis: 2010-2012

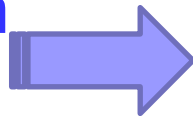


## 1.2. The Privatization Issue after the economic crisis: 2010-2012

<u>Timeline of the Greek Debt Crisis</u>	
<u>Date</u>	<u>Event</u>
September 2009	Revision of the prediction of the Greek public deficit from 3,7% (early 2009) to 6%
End of 2009	New revision of the Greek public deficit up to 12,7%
23 April 2010	Prime Minister's Statement on Greece's request to enter the support mechanism
May 2010	Revision of the Greek deficit to 13,6%, total public debt forecast 120% of GDP
2/3 May 2010	Eurozone countries and IMF agreement on a 110 billion € bailout loan for Greece (80bl.€ from Eurozone and 30bil.€ from IMF)
<b>May 2010</b>	Ratification from the Greek Parliament of the <b>Law 3845/2010</b> <b>1<sup>st</sup> MoU between Greece &amp; EC, IMF, ECB</b>
15/11/2010	Eurostat revision of the Greek public deficit at 15,4% of GDP and public debt at 126,8% of GDP
23/4/2011	European Commission says Greek budget deficit is again worse than expected, at 13,6% of GDP.
<b>1/7/2011</b>	<b>L.3985/2011 : Medium Term Fiscal Strategy</b>
<b>1/7/2011</b>	<b>L.3986/2011: Urgent Measures for the implementation of the Medium Term Fiscal Strategy</b>
<b>14/2/2012</b>	Ratification from the Greek Parliament of <b>L.4046/2012: 2<sup>nd</sup> MoU between the Greek Republic and EU/ECB/IMF</b>
21/2/2012	Eurozone countries and IMF agreement on a 2 <sup>nd</sup> bailout package for Greece. The deal is expected to bring Greece's debt down to 120% of GDP by 2020, around the maximum that the IMF and eurozone consider sustainable

## 1.2. The Privatization Issue after the economic crisis: 2010-2012

- **Law 3845/2010: 1<sup>st</sup> MoU**
- **Economic Policies**
  - A. Fiscal Policies
  - B. Policies in the Financial Sector
  - c. **Structural Reform Policies**



- *'The Government will consider again the development of public real estate assets including real estate belonging to public enterprises and to the Government'*

## 1.2.1. The privatization issue under Greece's medium-term fiscal strategy

### L.3985/2011: Medium-Term Fiscal Strategy (MTFS)

- The MTFS includes an ambitious privatization programme that aims to reduce Greece's public debt, attract private know-how and capital into critical sectors of the Greek economy, and support the economic recovery.
- **The portfolio** of state-owned assets of the Hellenic Republic (HR) includes a **detailed inventory of targeted assets and timeline for divesting each asset**. The targeted assets include: (i) shareholdings in listed and non-listed state companies and banks; (ii) shareholdings in public infrastructure (e.g. airports, ports, highways); (iii) monopolistic rights (ie gaming licences) and (iv) real estate.
- **The assets** under the programme have been estimated of a value in excess of 50 billion Euros. The privatization of these assets can be used to reduce Greece's debt by as much as 20 percentage points of GDP.
- The MTFS programme had **at first\*** the following revenue targets: 5 billion Euros by the end of 2011, 15 billion Euros by the end of 2012 (cumulatively), and 50 billion Euros by 2015 (cumulatively).
- The programme had a quarterly transactions timetable through 2013, and an annual schedule for 2014 and 2015
- ★ *The timetable of the revenue targets from privatizations has been revised in the 2<sup>nd</sup> MoU (L.4046/12)*

## 1.2.1. The privatization issue under Greece's medium-term fiscal strategy

**Privatization Programme 2011-2015**

	<b>Name</b>	<b>Expected Date</b>	<b>Participation</b>	<b>For Sale</b>	<b>Type of Sale</b>
<b>2011</b>	Hellenic Telecommunications Organisation (OTE)	Q2	16.0%	10,00%	Sale of shares
	Thessaloniki Water Supply and Sewerage	Q3	74,00%	>=40%	Sale of SPV shares
	Athens International Airport (AIA)	Q3	100,00%	-	Concession Extension
	Hellenic Football Prognostics Organisation 1	Q3	100,00%	-	Concession Extension
	Hellenic Football Prognostics Organisation 2	Q3	100,00%	-	New gaming licenses
	Thessaloniki Port	Q3	74,30%	23,30%	Sale of SPV shares
	State Lotteries	Q3	100,00%	100,00%	Sale of SPV shares
	Piraeus Port	Q4	74,10%	23,10%	Sale of SPV shares
	Hellenic Defence Systems (EAS)	Q4	99,80%	99,80%	Sale of shares
	Hellenic Postbank	Q4	34,00%	34,00%	Sale of shares
	Public Gas Corporation (DEPA)	Q4	65,00%	55,00%	Sale of shares
	National Natural Gas System Operator (DESFA)	Q4	65,00%	31,00%	Sale of shares
	Railway Operator (TRAINOSE)	Q4	100,00%	100,00%	Sale of shares
	LARCO (nickel plant)	Q4	55,20%	55,20%	Sale of shares
	Alpha Bank	Q4	0,60%	0,60%	Sale of shares
	National Bank of Greece	Q4	1,20%	1,20%	Sale of shares
	Hellenic Horse Racing Company (ODIE)	Q4	100,00%	100,00%	Sale of shares
	Mobile Telephony Licenses	Q4	100,00%	100,00%	Concession Extension
	Casino Mont Parnes	Q4	49,00%	49,00%	Sale of shares
	Hellenic Vehicle Industry (ELBO)	Q4	72,60%	72,60%	Sale of shares
	Hellenic Football Prognostics Organisation	Q4	34,00%	34,00%	Sale of shares
	<b>Hellinikon 1</b>	<b>Q4</b>	<b>100,00%</b>	<b>-</b>	<b>Sale of SPV shares</b>
	Four Airbus Aircraft	Q4	100,00%	100,00%	Sale
	<b>Real Estate Assets 1</b>	<b>Q4</b>	<b>100,00%</b>	<b>-</b>	<b>Sale of SPV shares</b>

## 1.2.1. The privatization issue under Greece's medium-term fiscal strategy

Year	Name	Expected Date	Participation	For Sale	Type of Sale
<b>2012</b>	Athens International Airport (AIA)	Q1	55,00%	> 21%	Sale of SPV shares
	Hellenic Petroleum (ELPE)	Q1	35,50%	35,50%	Sale of shares
	Piraeus Bank	Q1	1,30%	1,30%	Sale of shares
	Hellenic Agricultural Bank (ATE)	Q1	77,30%	26,20%	Sale of shares
	Egnatia Odos Motorway	Q1	100,00%	100,00%	Sale of SPV shares
	Hellenic Post (ELTA)	Q1	90,00%	>40%	Sale of shares
	Ports 1	Q1	100,00%	100,00%	Sale of SPV shares
	Athens Water Supply and Sewerage Company	Q2	61,30%	27,30%	Sale of SPV shares
	Loan and Consignment Fund	Q2	100,00%	100,00%	Sale of SPV shares
	<b>Real Estate Assets 2</b>	<b>Q2</b>	<b>100,00%</b>	<b>100,00%</b>	<b>Sale of SPV shares</b>
	Public Power Corporation (PPC)	Q3	51,00%	17,00%	Sale of shares
	Hellenic Motorways 1	Q3	100,00%	100,00%	Sale of SPV shares
	Regional Airports 1	Q3	100,00%	100,00%	Sale of SPV shares
	<b>Hellinikon 2</b>	<b>Q4</b>	<b>100,00%</b>	-	<b>Sale of SPV shares</b>
	<b>Real Estate Assets 3</b>	<b>Q4</b>	<b>100,00%</b>	-	<b>Sale of SPV shares</b>
	Digital Dividend 1	Q4	100,00%	100,00%	Sale of rights
	Thessaloniki Water Supply and Sewerage	Q4	34,00%		Sale of SPV shares
	Hellenic Goldmines 1	Q4	100,00%	100,00%	Sale of SPV shares

## 1.2.1. The privatization issue under Greece's medium-term fiscal strategy

Year	Name	Expected Date	Participation	For Sale	Type of Sale
2013	Offshore Gas Storage Facility	Q1	100,00%	100,00%	Sale of SPV shares
	Regional Airports 2	Q2	100,00%	100,00%	Sale of SPV shares
	Ports 2	Q2	100,00%	100,00%	Sale of SPV shares
	<b>Real Estate Assets 4</b>	<b>Q3</b>	<b>100,00%</b>	<b>100,00%</b>	<b>Sale of SPV shares</b>
	Hellenic Goldmines 2	Q3	100,00%	100,00%	Sale of SPV share
	Digital Dividend 2	Q4	100,00%	100,00%	Sale of rights
	Athens Water Supply and Sewerage Company	Q4	34,00%		Sale of SPV shares
	Hellenic Motorways 2	Q4	100,00%	100,00%	Sale of SPV shares
2014	Hellenic Motorways 3		100,00%	100,00%	Sale of SPV shares
	<b>Real Estate Assets</b>		<b>100,00%</b>	<b>-</b>	<b>Sale of SPV shares</b>
2015	Hellenic Motorways 4		100,00%	-	Sale of SPV shares
	<b>Real Estate Assets</b>		<b>100,00%</b>	<b>-</b>	<b>Sale of SPV shares</b>



## 1.2.2. The creation of the Hellenic Republic Asset Development Fund (HRADF)

- The Hellenic Republic Asset Development Fund (HRADF) was established on 1st July 2011 (L. 3986/2011), under the MTFS
- The Fund is a “societe anonyme”. The Hellenic Republic (HR) is the sole shareholder with a share capital of €30 million
- Fund’s mission: to maximize the value to the Hellenic Republic from the development and/or sale of its assets
- Most of the assets contained in the MTFS have been transferred to the Fund, while other assets which the HR has decided to develop or sell will also be transferred. Any asset transferred to the Fund is to be sold, developed or liquidated. The return of any asset back to the State is not allowed
- The assets transferred to the Fund can be grouped in three categories:
  - real estate
  - company shares in companies & public infrastructure
  - Monopolistic rights

- *Board of Directors*: 5 members & 2 observers appointed by the Eurozone countries and European Commission
- *Council of Experts*: 7 persons (3 appointed by the Troika) The Council of Experts gives its opinion on every privatisation.
- The privatisation process is described in Law 3986/2011.
- The Fund publishes quarterly reports, has internal regulations, internal and external auditors and is subject to Parliamentary monitoring



## 1.2.3. Privatizations in progress: Public Real Estate Assets



### ■ International Broadcasting Center

- The property was built to accommodate the Radio-television International Center (IBC) in order to cover the 2004 Olympic Games.
- Once the Olympic Games were over a major part of the IBC building was converted into a shopping center. Another part was intended to be used as the Olympic Games Museum.
- Plot size: ca. 64.000sq.m.
- Existing Buildings:
  - A. GOLDEN HALL – Total area c. 132,200sq.m.
    - Above-ground area: c. 73,000sq.m.
    - Basement Parking & Storage space area: c. 59,200sq.m.
  - B. ADDITIONAL AREA (vacant) – Total area c. 21,600sq.m.
    - Above-ground area: 14,300sq.m.
    - Basement Parking area: 7,300sq.m
- ***Project Development Concept:*** cultural multifunctional uses (museums), entertainment – recreation (cinema, gym etc) , plus other retail and office uses

## 1.2.3. Privatizations in progress: Public Real Estate Assets



### **Afantou , Rhodes island**

- 2 neighbouring beachfront plots
- Total surface 1,858,000sq.m.
- Part of the property: 18-hole Golf course
- Coastline frontage: 7 km

**Project Development Concept:** Large scale development tourism, leisure, residential project around the existing golf course on a well established vacation destination such as Rhodes

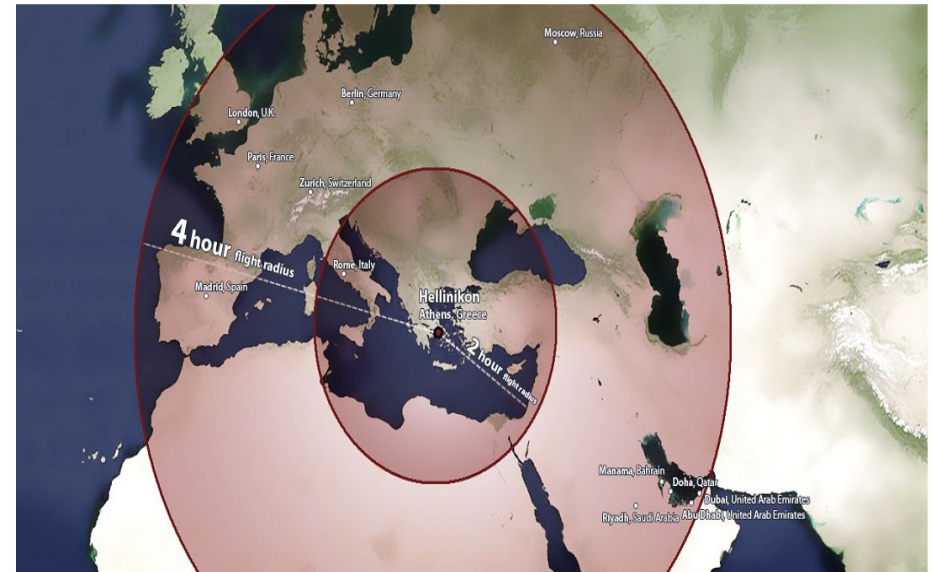
### **Kassiopi Peninsula, Corfu island**

- Property surface: 490.000sq.m.
- More than half of its area covered by a private woodland including a small natural lake
- Exploitable area: 178.000sq.m.
- Coastline frontage: 725m
- **Project Development Concept:** The property is offered for exclusive use as well as for development of an upscale residential complex, focusing on vacation villas and hotel / leisure facilities.



## 1.2.3. Privatizations in progress: Public Real Estate Assets

### Hellinikon (old Athens Airport area)



#### Vision

The Hellenic Republic's vision for the Site's development is:

- The redevelopment of the Site into a mixed-use landmark location of national importance and international visibility, and a metropolitan pole of international appeal and recognition, enhancing the attractiveness of the Athens greater area both as a tourist destination and a business and leisure centre in the Eastern Mediterranean region. The Site will remain integrated with the existing urban fabric of the greater area of Athens.
- The stimulation of economic growth and the provision of social benefits through the creation of jobs during the planning, execution and operation of the redevelopment of the Site. Ultimately, this development could reposition Athens as a destination city and, at the same time, offer its inhabitants/visitors a new pallet of experiences and fuel economic activity. This is envisaged to be achieved through appropriate architectural and urban planning features which will make the Site a unique proposition, combining the proximity of the plot to the center of the town, the coastal front and the Mediterranean climate.

## 1.2.3. Privatizations in progress: Public Real Estate Assets

Hellinikon (old Athens Airport area)



- **Location**
- The Site is located within the Athens greater metropolitan area, standing between the mountain of Hymettus and the Saronic Gulf, Athens gateway to the Aegean Islands (images1,2).
- Its distance from the Athens city centre is just 8 km, while it is situated 27km from the Athens International Airport and 11km from the Piraeus Port.

### **Size**

The Site spans a total area of approximately 6.2million sq.m. (or approximately 620 hectares). It has a 3.5 km coastline and includes a currently operational 337-berth marina (capacity for vessels up to 100 meters length).

the Site is more than three times the size of Monaco, more than two times the size of Hyde Park (London, UK) and Central Park (NY, USA).

The Site area comprises:

1. The Airport Site, with a total area to be exploited of approximately 5,250,000 sq.m.
2. The Additional Sites of the coastal front, with a total area of approximately 956,000 sq.m. consisting of:
  - i. The Agios Kosmas 337-berth Marina, which is currently operational.
  - ii. The Agios Kosmas athletic centre, which includes various buildings with main uses being leisure and sports, and a waterfront of approximately 3.5 km

The Goal	The Means	The Problems	The Instruments	Measures adopted
<ul style="list-style-type: none"><li>Reduction of public debt</li></ul>	Privatization	Significant barriers ( <i>among others</i> ) to: a)implement privatizations, b) entrepreneurship and unfriendly business environment due to: <ul style="list-style-type: none"><li>Lack of Land Registry</li><li>Difficulty in acquiring planning environment permits</li><li>Long lasting procedures in zoning</li></ul>	<ul style="list-style-type: none"><li>Acceleration of the completion of Land Registry</li><li>Simplification of the procedures needed for acquiring planning environmental permits</li><li>Acceleration &amp; simplification in planning &amp; land use legislation</li></ul>	<ul style="list-style-type: none"><li>Introduction of new legal framework for building &amp; environmental permits (L.4030/11 &amp; L.4014/11)</li><li>Introduction of special planning regimes for: a) the exploitation of public property (L.3986/11), b) Strategic (public &amp; private) Investments (L.3894/10) , c)tourism development (L.4002/11)</li></ul>
<ul style="list-style-type: none"><li>Economic growth</li></ul>	Growth-Enhancing Policies & Measures			
<div>Necessity to: a)integrate all special planning regimes to a unified whole, b)modernize existing planning instruments &amp; tools, c)simplify existing planning levels, d)facilitate the implementation of all the other private &amp; public investments</div>				

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## **2. Privatization and planning in Greece: current trends**

### **2.1. The role of spatial planning in the privatization process**

- Providing of special planning rules, instruments and procedures for the development of public properties and infrastructures in view of their privatization
- “Bypassing” the obstacles, created by established regulatory planning tools and the licensing procedures based on them
- Simplifying planning and environmental licensing process
- Removing overlapping consents and permits in order to facilitate the privatization process
- Reducing time for the issuance of different administrative acts necessary for the development of public property and the privatization of public infrastructure

## 2.2. The means

### 2.2.1. Providing institutional alternatives to traditional land-use planning

- **The main idea:** not abolishing the present planning system, but rather “**by-passing**” it through the establishment of special and simplified planning regimes for certain categories of projects (e.g. Olympic projects) or areas (public land)

#### **A. The First Effort: the Olympic Works legislation (1999-2004)**

- During the preparation period for the Athens Olympic Games 2004 (1999-2004), solution was sought to establish a special Olympic legislation that could “**bypass**” the established land-use planning and permit procedures, avoiding legal, administrative and operative obstacles. The challenge was to accelerate the Olympic construction works, without breaching law and justice.

The basic conception for the spatial arrangement of the Olympic projects was as follows:

- *Establishment of **special plans** for integrated development in the areas of key Olympic installations, while allowing for derogation from general and specific urban regulations in force in each area,*
- *Merger of disparate planning and environmental consents licences and permits, in order to reduce to time of the corresponding procedures and to achieve the necessary coordination between parallel and multiple regulatory regimes,*
- *Approval of special plans for Olympic sites with presidential decrees in order to secure their preliminary audit by the supreme administrative court and to shield them from future appeals,*
- *Assignment of all remaining licensing to services of the central public administration so that the cases are handled in a uniform way, the problems are solved without delay and the relevant procedures are accelerated.*



## **B. The Second Effort: The establishment of “fast-track” legislation for strategic investments (Law No 3894/2010)**

- The fast track licensing of Strategic Investments began with the passage of Law 3894/2010, which was subsequently amended by Law 4072/2012.
- Strategic Investments are large-scale investments, deriving either from the private sector or from public-private investment partnerships, that generate quantitative (i.e. budget, employment positions) and qualitative (i.e. the promotion of innovation, protection of the environment) results of major significance for the national economy overall, and which facilitate the country's exit from the economic crisis.

The Fast Track procedure aims at accelerating the licensing process through:

- *the establishment of special integrated plans (ESOA) for the development of the sites of strategic investments*
- *the shortening of deadlines into new and exclusive deadlines (with which the public administration must comply),*
- *the consecutive commencement of all necessary procedures and*
- *the avoidance of needless and repeated administration acts.*

Fast Track provides also for new administrative structures at the central level:

- The **Interministerial Committee for Strategic Investments**, which bears the responsibility of investment approval. The I.C.S.I. has also the overall supervision of the Fast Track procedure.
- **"Invest in Greece SA"**, which is the responsible authority for the evaluation and support of the procedures.

### ***C. The Third Effort: The development of a special planning regime for public land development and transfer (Law No 3986/2011, arts 10-16)***

Law No 3986/2011 was voted in June 2011 and included the emergency measures for the implementation of Greece's Medium-Term Fiscal Strategy Framework 2011-2015, among them those concerned with the development of public properties in view of their privatization. In this respect, the Law:

- *Introduced a **special planning regime** (planning rules, land-uses, building conditions, development plans and location procedures) for the development and the transfer of public land to private investors*
- *Provided that all public properties under privatization should be equipped with a **Special Public Property Development Plan (ESXADA)**. ESXADA contains the specific land-uses permitted on the property to be developed, the specific building terms and restrictions and the environmental terms to be followed during the development*
- *It also stipulated that approved regulatory plans, general town plans, controlled residential zones and other land use plans may be amended under the Special Public Property Development Plans, provided that amendment is necessary to the integrated development and efficient realisation of public property, especially in cases in which existing regulations and guidelines are unclear or are based on out-dated town and spatial plans*
- *Finally, it determined that all planning and environmental permissions for public assets' development are granted by the central state*

## 2.2.2. Simplifying and streamlining procedures for planning and environmental licensing

### A. *Simplifying procedures for environmental licensing (Law No 4014/2011)*

- Law 4014/2011 was voted in September 2011 with the aim of simplifying and streamlining the Environmental Impact Assessment (EIA) process through:
  - Providing for less bureaucracy and “red tape”
  - Reducing the number of projects and activities that require Environmental Impact Assessment (EIA)
  - Merging of overlapping permits (e.g. permits concerned with the waste management, permissions to build in forests or woodlands etc) into a single environmental permit
  - Shortening of deadlines for the delivery of environmental permits
  - Extending the validity of decisions approving environmental conditions (AEPO) in 10 years, or in 12 and 14 years respectively for projects possessing ISO or EMAS accreditation
  - Providing for an electronic environmental registry

### B. *Simplifying procedures for building permits (Law No 4030/2011)*

- Law 4030/2011 was voted in October 2011 with the aim of modernizing and streamlining the legal regime for building licensing and monitoring mainly through:
  - The separation of powers and functions between licensing authorities on the one hand and inspection authorities on the other hand. Under the provisions of the new law, the licensing function is entrusted to the Building Services of Municipalities while the inspection function is entrusted to independent certified inspectors operating under the supervision of the Ministry of Environment.
  - The promotion of transparency in the licensing process through the electronic submission of all required documents and studies
  - The simplification and acceleration of the whole licensing process through the standardization of required documents and studies, the establishment of new deadlines for the delivery of the building permits (five days for the granting of the building pre-approval and two days for the granting of the building permit after the submission of all required documents) and the assumption of the responsibility for the construction by the construction engineer.

## 2.2.3. Outsourcing of planning and environmental services

The main idea: Involving private sector in environmental and building licensing, auditing and control in order to overcome a large and inefficient bureaucracy

### ***A. Outsourcing environmental assessments & evaluations***

- Law 4014/2011 (art 16) provides for the creation of a special Registry of Certified Assessors for the Evaluation of Environmental Impact Studies.
- Certified Environmental Assessors (CEA) are environmental practitioners with sufficient education and work experience in environmental assessments and controls who, after accreditation, may receive mandates from a government authority to undertake the evaluation of Environmental Impact Studies concerned with the realization of public or private development projects.
- In this regard, CEAs are entitled, whenever requested by the responsible government authority, to proceed to a thorough examination of the environmental report submitted to public services, make any necessary contacts with authorities designated to be consulted on the environmental report and draft the environmental terms to be included in the environmental license.

### ***B. Outsourcing building inspections***

- Law 4030/2011 (arts 10-15) provides for the outsourcing of building inspections to building practitioners (engineers) with sufficient education and work experience in construction works after authorization and registration in the Register of Building Auditors.
- Building inspectors are responsible for inspecting building work during construction and to ensure compliance with the approved building permits and related regulations.
- Building inspectors must obtain an inspection license after attending successfully special seminars on building controls and regulations and undergoing relative examinations.
- The status of a certified inspector is incompatible with the status of a government official or employee in the public sector.

# 3. Privatization, liberalization and simplification of Greek planning: what next?

## 3.1. The call for a planning reform

- The role of the statutory land use planning system has attracted considerable debate in Greece during the last decade.
- Of particular controversy have been the delays and the weaknesses perceived in the approval, revision and implementation of statutory land-use plans.
- In this regard, land use planning was often perceived as **dampening private development initiatives** because of excessive regulation, delay and uncertainty.
- Indeed, according to OECD (2011: 135) *“Boosting investment [in Greece] also hinges upon addressing land-use problems firms face during start-up by setting clear and adequate rules for spatial planning”*



The **main problems** Greek planning currently experiences may be summarized as follows:

- Highly complex and confusing legal environment for planning – Complex and confusing terminology
- Multiplicity of planning and building laws/diverse legal regimes (e.g. within-the-plan areas, out-of-plan areas, settlements of up to 2.000 population, traditional settlements etc)
- Lengthy approval (and revision) times
- Predominance of a ‘command and control’ type regulation, which is curbing the dynamism of investment
- Too much control, not enough facilitation
- Excessively detailed land-use and urban design plans – Difficulties to adjust to changing economic and social environment
- Overlapping land-use regulations at different planning levels
- Overlapping land-use permits and consents (e.g. licence for construction and use on the sea shore and on beaches, permit for intervention on monuments and their surroundings, permit for intervention on forest land, building permit etc.)
- Weak enforcement
- Serious impacts on property rights - Regulatory “takings”

In view of these problems, there were increasing calls for **a new role of land-use planning** in Greece that would facilitate and support market interests and private initiatives instead of only regulating and controlling private development.

### 3.2. “Planning Reform” in the MoU agenda: a crucial factor for the promotion of privatizations & of growth-enhancing structural changes

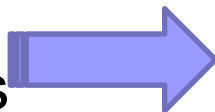
#### L.4046/12: The MoU between the Greek Government and the Troika

- PSI LM Facility Agreement
  - Co-Financing Agreement
  - ECB Credit Enhancement Facility Agreement
  - Bond Interest Facility
- *Memorandum of Understanding of Economic & Fiscal Policies*
  - *Memorandum of Understanding on Specific Economic Conditionality*
  - Technical Memorandum of Understanding

### 3.2. “Planning Reform” in the MoU agenda: a crucial factor for the promotion of privatizations & of growth-enhancing structural changes

#### L.4046/12: The MoU between the Greek Government and the Troika

- **MoU of Economic & Financial Policies**
- Economic Policies
  - A. Fiscal Policy
  - B. Fiscal Institutional Reforms
  - C. Financial Sector Policies
  - D. **Privatization**
  - E. Structural Reforms
  - F. Program Financing
  - G. Program Modalities



- **Privatization:**
- *‘Preparation of real estate assets: the Government will correct legal and technical deficiencies, expedite zoning, and issue required permits for real estate assets. It has requested technical assistance from the Task Force to develop a comprehensive land registry, and in this context the HRADF will register 3,000 plots by end-June’*



### 3.2. “Planning Reform” in the MoU agenda: a crucial factor for the promotion of privatizations & of growth-enhancing structural changes

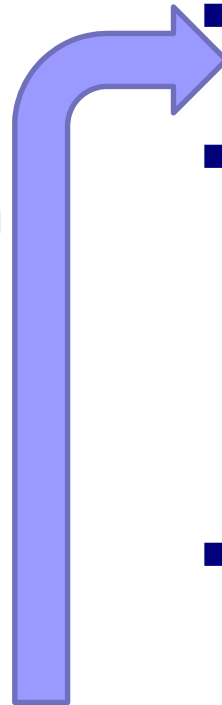
#### L.4046/12: The MoU between the Greek Government and the Troika

##### ■ **MoU on Specific Economic Conditionality**

1. Fiscal Consolidation
2. Structural Fiscal Reforms
3. Financial Sector Regulation & Supervision
4. **Growth-Enhancing Structural Reforms**



**Goal:** to improve business environment & enhance competition in open markets



##### ■ **Growth-Enhancing Structural Reforms**

- Implementation of L.3982/2011 on the fast track licensing procedure for technical professions, manufacturing activities and business parks and other provisions
- Implementation of L.4014/2011 on environmental licensing of projects & activities
- Business Friendly Greece: simplify environmental, building and operating permits

### 3.3. The commitment for a “Planning Reform”

Planning reform has been included in the MoU between the Greek government and the Troika, among the measures designated to improve business environment (Greece Business Friendly), as follows:

*“Planning Reform: The Government reviews and amends general planning and land-use legislation ensuring more flexibility in land development for private investment and acceleration of land - use plans”*

In the same chapter, several complementary actions concerned with Land Registry and Spatial Planning have been included as follows:

*The Government accelerates the completion of the land registry, with a view to:*

- *Tendering out all remaining rights (ca. 15 million) and awarding cadastral projects for 7 million rights*
- *Digitalizing the operations of all mortgage and notaries offices and conveying all newly registered deeds to cadastre by 2015*
- *Exclusively-operating cadastral offices for large urban centres by 2015*
- *Establishing a complete cadastral register and exclusively operating cadastral offices nationwide by 2020*
- *The Government completes the revision of the 12 regional spatial plans to make them compatible with the sectoral plans on industry, tourism, aquaculture and renewable energy*
- *The Government adopts legislation to (i) simplify and reduce time needed for town planning processes (ii) update and codify legislation on forests, forest lands and parks. It also adopts legislative measures for the management of industrial hazardous waste and licences at least two disposal sites for hazardous waste”*

### 3.3. The commitment for a “Planning Reform”

#### Planning Reform objectives/targets

- Insert flexibility, acceleration and simplification in planning and land use legislation to facilitate business development and investment
- Reducing the stock & flow of planning and development-control regulations and the multiplicity of planning levels and planning tools
- Simplifying and speeding-up legal procedures for making and revising spatial and land-use plans
- Fewer rules and regulations by state-creating scope for private and/or local initiatives
- Abolishing unnecessary regulations and tightening the remaining rules
- Introduction of ‘project plans’, that is, plans tailored to specific, public or private, land–development projects

## 3.4. Steps ahead

- In **August 2012**, the Greek Ministry of the Environment, Energy and Climate Change (YPEKA), which is, among others, responsible for spatial planning, set up **a mixed high-level group** to advise the Ministry on the necessary planning reforms.
- This group consists of high-level officials from the Ministry and its supervised organizations and of independent experts as well.
- The group has to submit its final proposals, along with a draft of the relative Bill, by **21 December 2012**.
- For the preparation of its proposals, the group is committed to proceed to necessary consultations with all relevant public services and state agencies, with the scientific organizations involved in spatial planning and with the country's major stakeholders as well.

## 4. Concluding remarks

- The privatization issue has gained gradual interest in Greece during the last 20 years
- Under the current Medium-Term Fiscal Strategy (2011-2015), the privatization issue gained new momentum as a means for reducing the country's public debt, attracting private know-how and capital into critical sectors of the Greek economy, and supporting the economic recovery
- Spatial planning, especially land-use planning, is called to play a double role in the country's privatization process
- First, to act as a **facilitator of the government's privatization program**, by enabling real estate development and providing appropriate rules, instruments and procedures for the exploitation of the Greek public sector's private properties, and for the concession and/or sale of public infrastructure (airports, motorways, ports and marinas etc)
- Second, to **review its role and its basic doctrines and principles** so as to facilitate and support market interests and private initiatives instead of only regulating and controlling private development (**Planning Reform**)



## 4. Concluding remarks

- Under this double set of challenges, **a comprehensive rethinking of the role of planning regulation in Greece is needed**
- This should be combined with an operational program of **re-casting, streamlining and simplifying the present legislation and procedures**
- Such an approach puts inevitably in the centre of the current and future debate the questions of liberalization and privatization of Greek planning
- The shift from a reactive and defensive planning culture to a proactive and enabling one seems to be the cornerstone of the whole strategy
- In this regard, the innovations already brought in the Greek planning system both by the alternative and simplified planning and licensing regimes and the outsourcing mechanisms presented above must be seen as a first step towards a more flexible and responsive planning policy and legislation

