Management & Administrative Institutions in Hellenic Ports

PROF. CHLOMOUDIS CONSTANTINOS, UNIVERSITY OF PIRAEUS

The Vision

- Integrated and sustainable Hellenic port system for economic development and territorial cohesion,
- Provision of high quality port services,
- Competitive terminals,
- Participation of ports in the international supply and transportation networks and
- Emphasis on local development and employment.

Need for National Planning

That aims:

- to the inclusion of Hellenic ports in the door-to-door transport networks
- to be consistent with the priorities and the principles of the Trans-European Transport Networks
- to insure to national territorial cohesion of the country as well as development and employment on national, regional and local level.

The Success of Port Planning requires:

<u>modernization – and institutional framework</u> <u>adjustments</u>

- Transparent and stable regulatory framework
- Simplification of administrational operations
- Public and private sector cooperation

port authorities, should emphasize more on:
regulating the port market with "smart"
interventions, educating highly-skilled
employees as well as providing breathing
space to the Private Sector

Current Situation

- Thirteen **(13) ports** operating as Societe Anonymes (S.A),
- Thirteen(13) National Port Funds (N.P.F.)
 concerning ports of international, national, of major or
 local importance (supervision from the Ministry of
 Shipping and Island Policy) and
- Sixty-nine **(69) Municipal Port Funds (M.P.F.)** concerning ports of international, national, of major or local importance.

In total, 889 different ports and port facilities of all sizes and uses exist

Hellenic Port System

Periphery/ Region	Number of Ports
Attica	131
South Aegean	127
North Aegean	114
Central Greece	90
Peloponnese	88
Crete	71
Ionian Islands	63
Central Macedonia	58
Thessaly	54
Eastern Macedonia and Thrace	42
Western Greece	33
Epirus	18

Structure and Administrative Institutions of the Hellenic Port System

Port Funds' Managerial & Operational Institutions	December 2015
Port Funds (P.F.)	13
Municipal Port Funds (M.P.F.), created with Presidential Decree which issued the transfer of responsibilities of P.F	37
Established Municipal Port Funds (M.P.F.)	32
Total Number of P.F & M.P.F	82
Port Offices	2
Sited touristic ports/marinas	59
Shelters and Anchorages	84
Ports within Hotel Units	11
Private Port Facilities	???
"Orphan" Port Facilities	???
Societe Anonymes (S.A)	13

Taking into Account:

- Large number of ports and port facilities operating in Greece,
- Numerous types of managerial and operational institutions for ports
- Large degree of differentiation of ports and port facilities that operate throughout the country,
- Multiple forms of employment in the ports' managerial and operational institutions, and
- The continuous legislative interventions, which after the implementation of the administrative reforms with the so called "Kallikratis" Plan New Architecture of Local Government and Decentralized Administration" in 2010 and the successive ones during the Memorandum period, are thickening while also taking a local character.

Our Proposal

Towards a Managerial Deconcentration of the Hellenic Port System

What is to be succeeded with the de-concentration in the Management of the port system

- Neither centralization of responsibilities within the responsible Secretariat (G.S.P.P.P), nor decentralization which implies managerial inadequacy due to lack of specialization...
 - State's role will be more agile, with less interference ... but more specialized,
 - Fast, competent and effective response to changes in competition

The de-concentration of the Hellenic Port System

Format of the Institutional Peripheral Port Networks (I.P.P.N)

Where applicable, merging Port Funds and structures of any form, with the relevant infrastructure :

- Societe Anonymes (S.A)
- Public Legal Entities
- De-centralized Public Service

Every port unit will be an independent cost center and possibly a specific structure within the context of I.P.P.N's.

Tasks of the Institutional Peripheral Port Networks (I.P.P.N)

- 1. Ability to implement, monitor and harmonize the guidelines of the Hellenic Port Planning
- 2. Entrusted, with the supervision of planning in the entire port market of each designated region, as well as the port product organization in areas where there is lack of interest from the Private Sector
- 3. Their operational framework as well as the rules of the game will concern a uniform national policy, where the responsibility for their finalization will rest with the executive authority while the implementation will be entrusted to those peripheral institutions, for all the ports under their territory, for which they will benchmark their performance according to uniform criteria of national and international scope, utilizing best practices.

I.P.P.Ns will have the responsibility of supervising both public and the private sector

Institutional Peripheral Port Networks (I.P.P.N)

On the basis of the "optimal" size, a certain number of Institutional Peripheral Port Networks (I.P.P.N) is established, in order to allow them perform functions such as the supervision, regulation, monitoring as well as the harmonization with the directions of the National Port Plan, for their specific area of responsibility.

The Role of the I.P.P.N.

- The supervision, regulation, monitoring as well as the harmonization with the directions of the National Port Planning. The framework and the rules under which I.P.P.N's will operate, will aim towards the implementation of a uniform national policy as well as towards the efficient operation of the port market and of the industries within its periphery.
- Every I.P.P.N will be responsible a) for the production of the necessary port services that Demand requires. b) for the port planning in their specific port area.

Supervisors

- Ministry of Shipping and Island Policy (M.S.I.P)
- Ministry of Interior
- Ministry of Economy,
 Development and Tourism

The Management of Port Policy

- General Secretariat of Port and Port Policy (G.S.P.P.P)
- Committee for the Port Planning and Development (C.P.P.D)
- Committee of Touristic Ports (C.T.P)
- I.P.P.N. (Port Organizations S.A, Port Funds etc.)
- Port Organizations S.A, Port Funds (National and Municipal)
- Public Port Authority (for Piraeus and possibly for Thessaloniki)
- Regulatory Authority for Ports

The case of the Regulatory Authority for Ports

- It's aim is the economic regulation (market regulation)
- Not only on pricing matters but also on issues regarding market entry and performance.
- <u>Clarifying the role of the regulatory authority:</u> as a regulator which ensures public interest while promotes the common interest of those involved as producers and as users of the port services.

Responsibilities of RAP

- a) Monitors and controls the conditions under which the provision of port services is undertaken, in order to avoid distortions,
- b) Examines whether there is evidence, regarding the violation of competition or State Aid rules, as laid down by E.U. and national legislation,
- c) Analyzes user service levels and conditions users, especially with respect to pricing, security, quality, reliability and quality,
- d) Ensures the seamless and reliable operation of the national port system,
- e) Recommends appropriate actions for achieving information transparency with respect to the quality of services and pricing

Public Port Authority (Piraeus/Thes/ki)

Wherever the majority of stocks of the Port Organizations of Piraeus and Thessaloniki are finally chosen to be transferred among the Private Sector candidates, it is institutionally essential and arguably obvious that public powers, exercised until today by the local Port Authorities (P.P.A. ,T.P.A. for example) should be also transferred to new corresponding public actors

For this reason, the Ministry of Shipping is obliged to set up primarily in Piraeus a Public Port Authority, which will be responsible for the exercise of public authority as well as for the provision of public services in the specific port, while a similar Authority should be planned for the port of Thessaloniki if the latter port follows the same path as Piraeus.

This option after all is also foreseen in the Greek Government's agreement with the Institutions, as adopted in the Law. 4336/2015. Authorities of similar nature exist in all European Ports and across all over the world.