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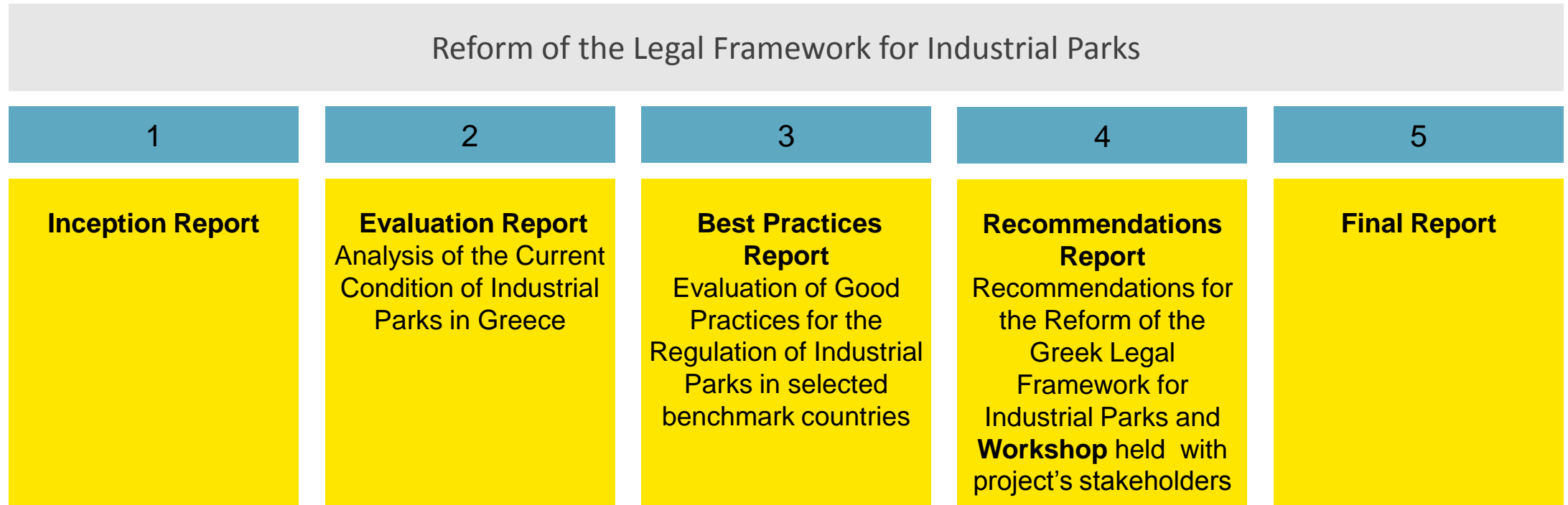
Lessons Learnt & Key Takeaways extracted from the “Industrial Parks’ Reform-Greece” project

No.REFORM/SC2020/125



Building a better working world

Project's summary in 5 stages



Lessons Learnt from the evaluation of the domestic regulatory framework for Industrial Parks

Strategy

1

A new Industrial Policy Framework 2021-2030 is required, which will integrate:

- The new European Industrial Strategy
- The economic and social impact of the Sars-Cov-2 pandemic

2

Role of the State

More than three decades after the privatisation of ETVA **the state is again called upon to play a more active role in the supervision and development of Industrial Parks**

3

Industrial Parks' Zoning

The overall framework for industrial zoning is not sufficiently coherent and, above all, **does not adequately respond to the needs of the demand for industrial land**. Thus increasing the phenomenon of atypical industrial concentrations and making it difficult to develop Industrial Parks with an appropriate zoning

Lessons Learnt from the evaluation of the domestic regulatory framework for Industrial Parks

4

Development of Industrial Parks

There are serious delays in the development stage of Industrial Parks, which are due to:

- The **inefficiency of the Industrial Parks urban planning framework**
- The **insufficiency of financial resources** on the part of Industrial Park Development Companies

5

Regulation of Existing Industrial Parks

Serious delays are observed at the stage of the development of Industrial Parks, which are due to the **non-functionality of the existing framework for urban planning of Industrial Parks**

6

Administration & Management of Industrial Parks

The administration and management of the country's Industrial Parks is **defined differently depending on the legal framework** under which each Industrial Park falls

Lessons Learnt from the evaluation of the domestic regulatory framework for Industrial Parks

7

Infrastructure & Services

External IPs infrastructure is provided by the **public sector** as well as by **commercial utility providers**. **Internal infrastructure** and services are generally provided to incumbents by the **developer and/or manager of each OHMBA** and are not subject to or not sufficiently regulated by free competition

8

Informal Industrial Areas (“IIAs”)

The phenomenon of IIAs continues to expand due to:

- The inappropriate location of certain Industrial Parks
- The inability to locate new Industrial Parks in areas with a demand for industrial land
- The capacity allowed by law to establish businesses on non-organised ways

9

State Aid

There is an **absence of targeted state aid programmes** for:

- The development of new Industrial Parks
- The upgrading of the infrastructure of existing Industrial Parks
- The relocation of IIAs into OHMBAs

Lessons Learnt from the International Good Practices¹ in the Regulation of Industrial Parks

1 Zoning of Industrial Parks

- **The existence of a legal framework was not observed** in advanced markets for Industrial Parks development and management services
- There also reference countries (Italy, India) in which specific legislation exists to regulate Industrial Parks. In those cases, the supervisory authority/ies are **structured at local or regional level**

2 Regulation & Supervision of Industrial Parks

- The zoning of industrial and manufacturing activity may be:
 - **Subject to specific legislation or to the general provisions of land-use legislation**
 - **Determined at regional or local level**
- The planning and zoning of Industrial Parks may be carried out by local EPCIs (France), various stakeholders etc.

3 Development, Administration & Management of Industrial Parks

- **In most reference countries (except UK) the state intervenes directly or indirectly** in development initiatives
- The **operating rules** are **mostly agreed contractually** between the managing body and the incumbent. Not any mechanism for **mandatory** transfer of **common areas** to the managing body was identified.

4 Services & Infrastructure

- In most of the reference countries the provision of services to resident enterprises is **not regulated by the legislation in force**
- Shared space services can be provided by the **managing body, by EPCIs etc.**
- Incumbents have the **freedom to choose their public service provider and prices are determined by private contracts**

1: The reference countries for the identification of Good Practices are: Germany, France, Italy, UK and India

10 proposed Reforms based on the Lessons Learnt – Reforms 1 to 4

Reforms

- 1 The role of the State**
 - Innovative Supervisory Institutions
 - Encouraging Private Initiative
 - Active role in upgrading existing or developing new Industrial Parks
- 2 Strategy for Industrial Parks**
 - Abolition of the numerus clausus of the listed business activities
 - Classification of Industrial Parks on the basis of the activities established in them
 - Addition of a distinct special type for Eco-Industrial Parks
 - Provisions for industrial symbiosis infrastructure/services in each IP
 - Resilience framework for public infrastructure Industrial Parks
- 3 Development Model for Industrial Parks**
 - Securing 100% ownership of the land
 - Acceleration of the procedure for the urban planning of Industrial Parks
- 4 Management & Administration Model for Industrial Parks**
 - Administration and management of the Industrial Parks by IPDC
 - Retention of the right under Law 3982/2011 for the establishment of MCIPs
 - Obligation for MCIPs to award the management of Industrial Parks through a competitive tendering procedure
 - Abolition of the administrative procedure for the adoption of the Industrial Parks Operating Rules
 - Legislative provision on the minimum content of the Industrial Parks operating rules

10 proposed Reforms based on the Lessons Learnt – Reforms 5 to 7

Reforms

5

External Infrastructure

- Obligation of the Greek public sector (and enforceable right of IPDC / MCIPs) to ensure within a certain period of time **a minimum level of external infrastructure**
- Obligation of universal public service providers (and enforceable right of IPDC / MCIPs) to ensure within a certain period of time the **connection of existing and new Industrial Parks**

6

Management Services

- Minimum level of internal infrastructure projects of the OHMBA
- Obligation for management operators to provide a minimum level of the type of management services to established enterprises, with the addition of other services
- Obligation for management entities to provide a minimum level of quality of management services to incumbents

7

Basic Utilities

- Right of each established undertaking to receive utility services from a provider of its choice
- Right of incumbents to receive more than one shared utility service
- Freedom for IPDC/ MCIPs by agreement with incumbents
- Freedom of incumbents to provide infrastructure/services to other incumbents within an Industrial Parks
- Obligation of IPDCs / MCIPs to allow free passage of networks of third party providers or incumbents from the public areas of the Industrial Parks

10 proposed Reforms based on the Lessons Learnt – Reforms 8 to 10

Reforms

- 8** **Transition of existing OHMBA to the new framework**

 - Mandatory nature of the transition of existing OHMBA to the new regulatory framework
 - From the entry into force of the new framework, the existing OHMBA will be subject to the provisions of the new legal framework
 - Management of the existing OHMBA by the existing managing bodies
 - Non-application of the provisions of the new framework for the administration and management of Industrial Parks to existing OHMBA with exceptions
 - Within five (5) years from the entry into force, the inclusion of the existing OHMBA
 - Abolition of Laws 4458/1965 and 2545/1997 with the completion of the transition of the existing OHMBA to the new regulatory framework

- 9** **Clearing of Informal Industrial Concentrations**

 - Designation of an IIAs as an Enterprise Zone for Rehabilitation ("EZR") by the Ministry of Development.
 - Approval of the resolution plan subject to the approval of specific State aid to a certain percentage of the IPR resolution plan.
 - Exclusion of IPR from the provisions on minimum service levels.

- 10** **Regulation of New Manufacturing Activity**

 - Prohibit the establishment of off-site industrial/manufacturing activities
 - Entry into force of the prohibition of establishment outside the Industrial Parks/IPR in six (6) years from the entry into force of the new framework

10 Key Takeaways from the implementation of the project – Key Takeaways 1 to 5

1

Strategy for Industrial Parks

The regulation of Industrial Parks should have the **national industrial strategy** as a central point of reference

2

The Importance of the Instructional Framework

The regulation of Industrial Parks **frames the organization of manufacturing activity** in the country

3

Soft Self-Management Model

Self-Management of Industrial Parks is considered as the most appropriate model, yet **its implementation must be envisaged in a functional - not absolute way**

4

The Private Initiative in Focus

The definition in the law of the actors involved in the development of Industrial Parks should be **sufficiently open to the multitude of stakeholders and possible models of cooperation between them**

5

The State as a Lever of Acceleration

The state is re-positioned as **a lever for facilitating and accelerating private initiative, responding to market failures and promoting long-term strategies**

10 Key Takeaways from the implementation of the project – Key Takeaways 6 to 10

- 6** **Supply / Demand adjustment through competition**
The purpose of regulation is to **establish the relevant markets on efficient terms** and where necessary, **regulate ex ante to ensure the effective development of free competition**
- 7** **Resource and Infrastructure as a Commons**
The sharing of infrastructure and resources is a necessary condition for manufacturing to **adapt to the modern environment, reduce operating costs** and **generate considerable positive externalities**
- 8** **Industrial Symbiosis as a Force for Innovation**
The structure of Greek manufacturing necessitates the **institutional framework** and **promotion of industrial symbiosis** as a means to **enhance innovation capacity** and **generate positive spillover effects**
- 9** **Transition to 4th Generation Industry**
Smart factory infrastructure/services play a central role in the digital transformation of manufacturing, while there is a **need for sharing of upgraded infrastructure between companies**
- 10** **Sustainability and Climate Neutrality of Manufacturing**
The shift in manufacturing towards **climate-neutral** solutions reinforces the **need for sharing of upgraded infrastructure between firms**