



Thematic study

Athens, July 2013

Executive Summary

Licensing of projects and activities



This study was prepared by the House of the Greek Manufacturing Industry ("Stegi tis Ellinikis Viomixanias") and under the aegis of the Hellenic Federation of Enterprises (SEV), within the scope of the project "Creation of an intervention mechanism for identifying, processing and assessing the administrative obstacles faced by enterprises", which is a part of the Act "Intervention network for the improvement of quality of the public services offered to enterprises". It is implemented under the Operational Programme "Public Administration Reform", 2007 - 2013.



European Union
European Social Fund



With the co-funding of Greece and the European Union

Address by the Chairman of the Hellenic Federation of Enterprises

The Hellenic Federation of Enterprises has established the "Business Environment Observatory" as an organisationally versatile and operationally effective organisation which will indicate on a regular basis the problems the Greek state causes to the enterprises' daily routine and the carrying out of investments and will also present direct and sophisticated plans aiming to their solution.

Despite the efforts made and the progress achieved during the period of financial crisis, the extensive state's administrative interference still remains a significant problem in our country. Its manifestations can be identified in various forms – from the content of public dialogue and the actions of central government to the cumbersome and ineffective bureaucracy and the vast number of laws, presidential decrees, ministerial decisions and circulars. All these factors create an environment which promotes corruption, discourages any initiative - both public and private - and undermines any ambitious action plan, tests the limits of human patience.

In order to be able to overcome the economic crisis, it is now time to adopt a new model for creating wealth and social prosperity. This model must be based on an open economy, investment and competitive production with the private sector taking the lead. This is how we can modernise our country. But the anachronistic Greek public sector as it was formed after the fall of Junta and onwards is the main obstacle. And if the state does not change, the country cannot change either.

The Business Environment Observatory aspires to contribute towards this change. Improving the business environment and systematically dealing with and removing the obstacles hindering entrepreneurship can free the creative forces from the regressiveness of the Greek state – the only ones that can offer a way out of the crisis, guarantee sustainable growth and lead the way to modernisation.

However, in the public sector one can also identify human resource quality, executives who believe in the improvement of the system through modernisation and reforms, and are motivated and interested in the achievement of these goals.

Establishing the Observatory is part of a wider initiative called "Entrepreneurship without obstacles: opening the way to growth" undertaken by SEV, which intends to contribute to shifting the focus of the economy from the public sector to entrepreneurship. In the context of this initiative, SEV has also prepared a study on the problems identified regarding the process of licensing of projects and activities, in which possible solutions are also indicated.

The leadership of a new modern growth model must be undertaken by innovative, bold and open Greek entrepreneurship that looks ahead and at the same time does not turn its back to the Greek Society. Which will also take both risks and responsibilities. In this context, the Business Environment Observatory has a significant and radical role to play. Our goal, the goal of the Hellenic Federation of Enterprises, is the Observatory to perform efficiently and effectively the project it has undertaken and, thus, meet the expectations it has created.

Dimitris Daskalopoulos
Chairman

Business Environment Observatory

vision

establishing institutions and rules that support the competitiveness between enterprises and the country's development

mission

indicating radical policies and reforms of business environment, through the partnership of creative business forces and public administration

The establishment of the Observatory is **the legal extension of SEV's initiative: "Entrepreneurship without obstacles: opening the way to growth"**. SEV has undertaken this initiative in order to contribute to the improvement of the business environment and the removal of any obstacles standing in the way of entrepreneurship.

Within the scope of its legal role in the promotion of policies for the social progress and cohesion, the country's economic development and business competitiveness, SEV has proceeded to the organisation and operation of the **Business Environment Observatory**, the goals of which include the following:

- **systematically identify** limitations, obstacles and problems that hinder business development, have a significant negative economic effect and often overturn the expected benefits of the business venture itself.
- **evaluate** the friendliness of the business environment and the consistency of the regulatory framework which forms it.
- formulate **documented policy recommendations** aiming to promote the necessary changes and reforms as well as to establish an effective business environment.
- systematically monitor and **assess the effectiveness** and efficiency of reforms and changes which are implemented in order to improve the business environment.
- develop a new **change and reform implementation** methodology, supported by the partnership of creative business forces and public administration to achieve more effective regulation of matters of public interest.
- conduct **consultation**, with constant and meaningful cooperation between competent officers from both enterprises and public administration, an activity that ensures the completeness of the process of identifying obstacles from original sources and the joint effort to produce solutions.

The **activities** undertaken by the Observatory are, in summary, the following:

- Thematic studies for significant areas of obstacles.
- Specialised studies on obstacles and reports on methods to address them.
- Opinion research/Public services quality barometer.
- Detailed recording of procedures and obstacles in the business environment.
- Consultation workshops.
- Planning of policy recommendations.
- Cooperation with the public administration authorities and the scientific and business community.

Main Guidelines for the Reform of the Licensing Process

The recommended approach to system reform is twofold:

- **Improving** the existing licensing system, in the short-term, by transforming it into a "**more effective system**".
- **Reforming** the licensing system, in the long-term, by transforming it into a system based on "**declaration of compliance**".

The main guidelines of the **reform** are the following:

1. **Shifting** from the existing system of "processing requests and approvals" to an innovative system based on "**declaration of compliance**" according to specific requirements.
2. Undertaking the cost of proof of compliance by enterprises, resulting in a significant **transfer of administrative cost** of the licensing procedure **from public administration to the private sector**.
3. **Transferring the burden of control** from the phase of commencement of activity to the stage of operation.
4. Guaranteeing to enterprises the ability to utilise **outsourcing** of licensing services to certified bodies.
5. **Establishing** through legal provisions a targeted system of **controls** during the enterprise's operation, based on risk analysis.
6. **Establishing certification** of all licensing bodies in public and private sector, based on standard organisation and operation requirements.
7. **Establishing a central tracking system** of licensing process, in order to reinforce accountability and measure the effectiveness of procedures.
8. **Planning a Reform Implementation Operational Programme**, founding a special independent central government organisation for its implementation - with a predetermined term of office until the completion of the Operational Programme - and **establishing** through legal provisions the **participation of corporate bodies** in the management of reform.

Contents

1. General background	8
2. General methodological approach	10
3. Current situation	12
3.1. Assessment of licensing system	12
3.2. Detailed presentation of the time required for each phase of an Environmental Terms Approval Decision (ETAD)	24
3.3. Licensing cost	27
4. Reform strategy	35
4.1. Recommended approach to implementation of reform	35
4.2. Uniform approach recommendation for the licensing system reform.	37
4.3. Main features of final systems per selection and assessment field	38
5. Recommended measures	42
5.1. Features of recommended measures	42
5.2. Executive summary of recommended measures combination	43
5.3. Prioritisation of recommended actions	46
6. Public consultation	47
7. Implementation requirements	48
7.1. Planning of a detailed operational implementation programme	48
7.2. Planning of a programme for the communication of change management	48
7.3. Integrated implementation mechanism	48
7.4. Implementation monitoring & assessment	50
7.5. Basic plan of subsequent actions	50

Lack of national strategy regarding production

Lack of confidence

Bureaucracy

Time delays

Lack of standardisation regarding

documents
procedures
consultation authorities

Lack of cooperation between public – private sector

Legal uncertainty

Lack of systems designed to improve the
personnel's performance

Lack of integrated strategy for licensing

Static mentality of licensing process

Mock public consultation

Lack of target setting in licensing system

Unsystematic monitoring of licensing
system's performance

Complexity of statutory framework

Substitution of administration tools by statutory texts

Insufficient integration of new technologies

Numerous different licensing stakeholders

1. General background

After 12 years of uninterrupted economic growth with increased growth rates, higher than those of the Eurozone, Greece entered a period of economic depression.

At the same time, the continuing administrative malfunctions and the public administration's insularity became factors of ineffectiveness both for the state and the economy, especially in an environment in which the social framework is becoming more and more complex, innovation is integrated in the technological environment at an extremely rapid pace, affecting the production processes towards increased flexibility, and the business environment is increasingly globalised through open markets.

It is no longer possible to overcome this crisis without systematic and continuous effort to remove the impediments that prevent the development of productive activities in a way that also safeguards public interest.

The quality of our country's management of development policies and critical reforms is one of the key determinants for overcoming the crisis and promoting economic and social prosperity.

In order to formulate these policies, a shift to advanced models of governance, which require an open-minded state and participative procedures, are considered required. The involvement of the users of public services in the planning, evaluation and redesigning of a public policy that concerns them, is considered a key ingredient of the improvement in the politics production mechanisms' effectiveness. SEV believes that for the successful governance of development policies cooperation between business community and state as well as between enterprises is necessary.

The main prerequisite is the fundamental reform of the country's structures and economic and development policy planning and implementing mechanisms, by utilising resources, know-how and dynamics of private initiative, through equal participation of the business community's representatives in the formation of strategic directions, decision making and implementation of programmatic objectives.

The Observatory's goal is to identify obstacles and make recommendations on matters of policy in order to contribute to the formation of a more effective regulatory environment for entrepreneurship, through the participation of both the public sector, as policy maker, and the enterprises, as public services users.

SEV believes that there is need for an independent programme to implement fundamental restructuring and remove any hindrances to entrepreneurship, in selected public systems that regulate the life cycle of all enterprises and their relationship with the state. These systems refer to Taxation, Justice, Spatial Management, Licensing and Compliance Control.

During the last 3 years, although public administration has promoted numerous changes in several areas concerning the commencement, operation and development of business activities, the fragmentary character of the actions and the lack of an integrated plan have resulted in low effectiveness and the pressing need to resolve the problems within the business environment.

The present study adopts an integrated approach to the management of the numerous interdependent problems in licensing of projects and activities and presents a series of specific recommendations creating a Road Map for fundamental reform. In this context, the reform can open the way to an upturn of production, the creation of new production units and, thus, the productive restructuring of the country's economy.

2. General methodological approach

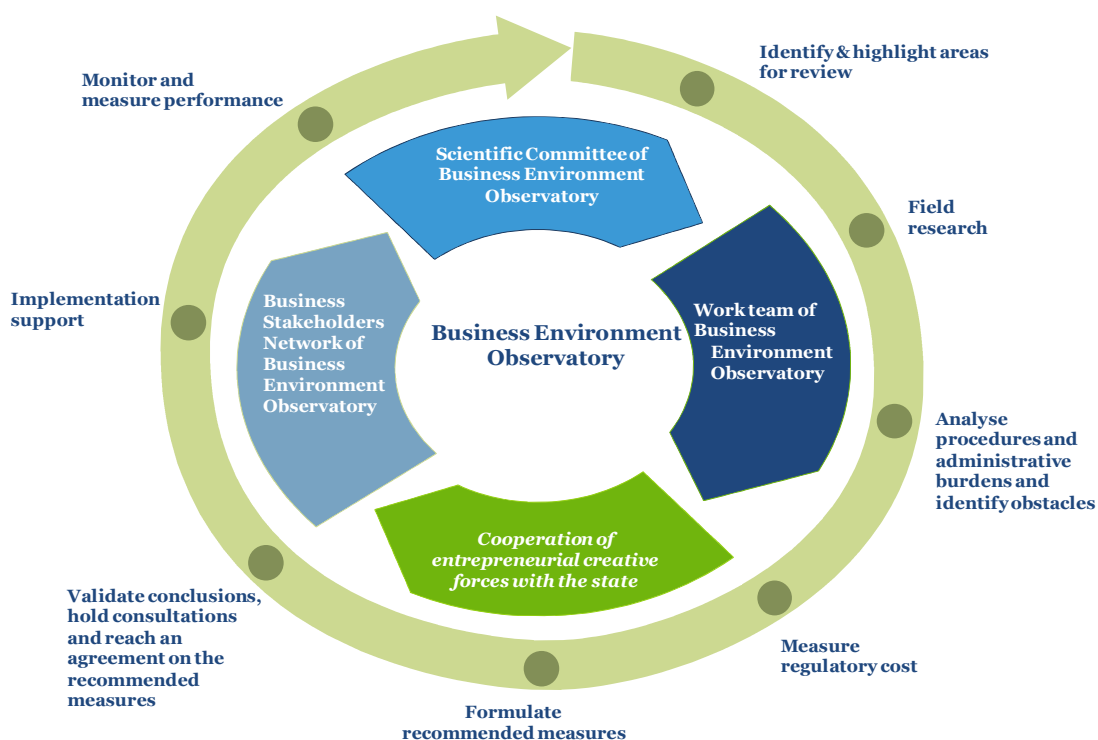
The **Business Environment Observatory**, within the scope of its operation, conducts thematic studies on certain areas of interest that have a significant effect both on the development of entrepreneurship and the reinforcement of the competitiveness of the economy.

The innovation applied in these studies lies on the way (utilisation of knowledge sources) as well as the wide field of the study. More specifically:

- **Utilising knowledge of the market and public administration:** the study is conducted through constant and meaningful cooperation between competent officers from both enterprises and public administration, an activity that ensures the completeness of the process of identifying obstacles from original sources and the joint effort to produce solutions.
- **The wide range and object of analysis:** the analysis performed goes beyond identifying administration hindrances and recording the administrative burden deriving from legislation, to analysing all obstacles and drawbacks (opportunity cost, administrative cost, financial cost etc.) caused by the regulatory framework and business environment, focusing on reinforcing the development prospects of enterprises.
- **The integration of the proposed solutions:** the study not only produces conclusions, but also recommends integrated and prioritised solutions and a mechanism of implementing the reform in licensing process.

The following chart shows how the aforementioned methodology was applied for the preparation of this study.

Chart 1. Innovative approach applied by the Business Environment Observatory



Within the scope of the Observatory's activities and according to the aforementioned methodology, the first thematic study on licensing of projects and activities was conducted, focusing on the following licensing categories:

1. Environmental licensing (as horizontal procedure)
2. Licensing of industrial activities
3. Licensing of mining activities
4. Licensing of environmental infrastructure systems (waste management systems)
5. Licensing of port development projects
6. Licensing of aquacultures
7. Licensing of conference centres
8. Licensing of business parks

***experienced
executives from
public
administration
and private sector
contributed in the
study***

The study was based on extensive field research for the mapping of the framework which affects the licensing of projects and activities. Subsequently, the data was evaluated, the problematic areas were identified and their regulatory cost was assessed. Lastly, the strategy of change was formed based on which the recommended courses of actions were determined.

In April 2013, an extensive consultation process with the state was initiated, which was concluded with a special consultation workshop, the conclusions of which are presented in this final edition of the study.

3. Current situation

3.1. Assessment of licensing system

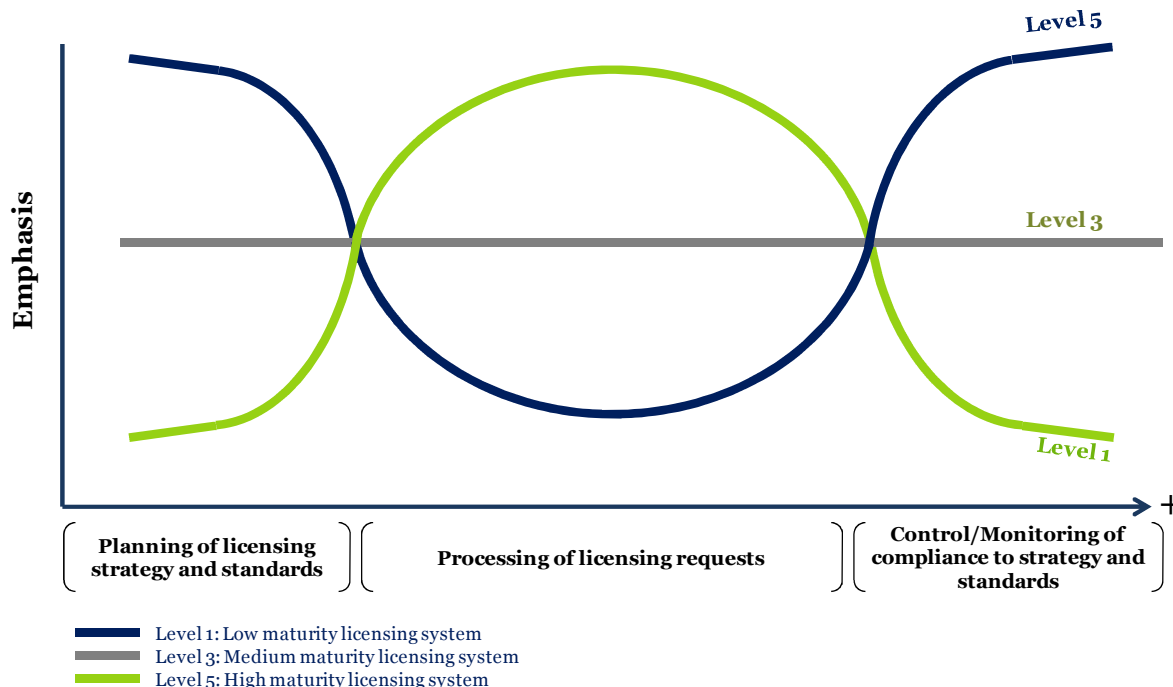
For the assessment of the Greek licensing system we used the conclusions that derived from the examination of best practices and OECD guidelines and we identified the differences between more and less mature systems regarding the areas on which they focus.

More specifically, as presented in the following table, **high maturity systems** place more emphasis on establishing standards and strategy as well as on controlling effectively their application. They focus less on processing of requests. Licensing requests are replaced, as appropriate, by a relevant declaration of compliance of the interested party to the standards.

On the contrary, **low maturity systems** place more emphasis on the processing of requests. Less emphasis is placed on developing an integrated approach to licensing, including establishing a strategy for every sector and appropriate standards. In addition, little emphasis is placed on control of compliance to strategy and standards¹.

The points of focus regarding licensing systems of various maturity levels are depicted in the following chart.

Chart 2. Focus of licensing systems per level of maturity



¹ The controls system is not an object of this study. Still, it is considered a significant determinant regarding the level of integration of a licensing system.

the Greek licensing system is insular and ineffective

it does not protect environment, ownership and public interest

it does not promote the development of productive activities

3.1.1. Methodology of maturity assessment of the Greek licensing system

The **main areas of assessment** of an integrated licensing system and the assessment framework are presented below.

Strategy: An overall assessment of the licensing system is performed, with regards to the systemic – integrated approach.

Governance, roles and responsibilities: The segregation of responsibilities between stakeholders, as well as the connection between governance system and licensing strategy are evaluated.

Procedures: The level of standardisation of individual procedures, their simplicity and user-friendliness as well as the end-to-end procedure is assessed.

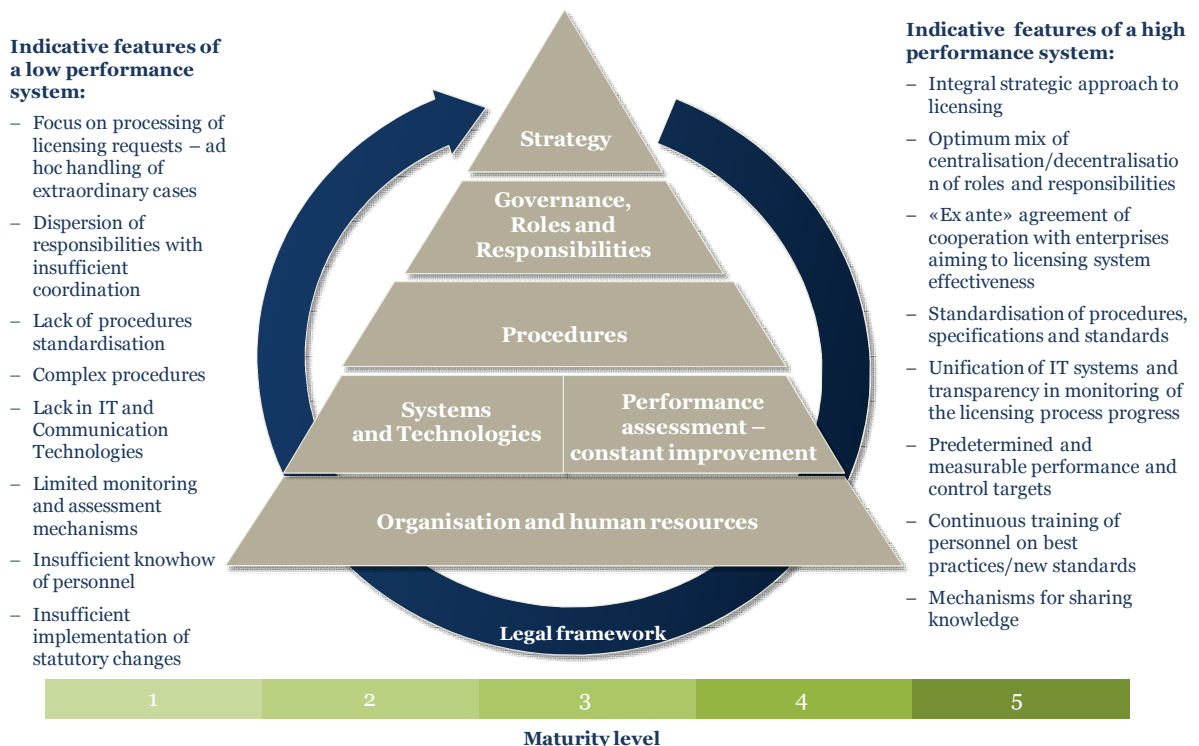
Systems and technologies: The level of utilisation of Information & Communication Technologies in the licensing system is evaluated.

Performance assessment – constant improvement: The existence of mechanisms for monitoring, measuring and evaluating the individual components of the licensing system and the use of performance indices are examined.

Organisation and human resources: The licensing stakeholders' internal organisation and human capital is evaluated, in order to ensure that their role is sufficiently supported in the system, both quantitatively and qualitatively.

Legal framework: The degree of simplicity, integration and codification, the application of **better regulation principles** in legal texts and their adoption as administration tool or framework is evaluated. It affects all levels.

Chart 3. Areas of assessment of licensing system



3.1.2. Licensing in Greece in 2013 - Obstacle to entrepreneurship

The following tables present the main features of the different levels of maturity, per level of maturity, and subsequently the maturity of the Greek licensing model is assessed.

Licensing strategy

Level 1	Level 3	Level 5
General strategy/licensing model		
<ul style="list-style-type: none"> - Lack of integrated licensing approach - Adoption of effective improvements only in some parts/areas of the licensing process - Regard productive activities as static - lack of a dynamic approach regarding licensing of changes in existing facilities 	<ul style="list-style-type: none"> - Integrated approach to licensing system 	<ul style="list-style-type: none"> - Integrated and dynamic licensing model with the capability of direct monitoring and adjustment to techno-economic and production changes
Strategic approach per activity category		
<ul style="list-style-type: none"> - Lack of distinct strategic approach per activity category 	<ul style="list-style-type: none"> - Standardisation of licensing standards per activity category - Licensing based on general binding rules 	<ul style="list-style-type: none"> - Existence of an explicit licensing strategy, with quantitative targets, per category - High degree of standardisation
Focus of licensing system		
<ul style="list-style-type: none"> - More focus on processing of requests - Less focus: <ul style="list-style-type: none"> • on planning of the system and the standards, and • on compliance control 	<ul style="list-style-type: none"> - Equal focus: <ul style="list-style-type: none"> • on processing of every individual request • on system planning and preparation of the standards • on compliance control 	<ul style="list-style-type: none"> - More focus: <ul style="list-style-type: none"> • on system planning and preparation of the standards • on compliance control - Less focus on processing of requests
Participation of enterprises in strategy formation		
<ul style="list-style-type: none"> - Lack of cooperation with enterprises regarding system's planning - Lack of confidence 	<ul style="list-style-type: none"> - Consultation with enterprises on the planning of the licensing system and standards - Actions aiming to reinforce the spirit of cooperation 	<ul style="list-style-type: none"> - Participation of enterprises in the planning: <ul style="list-style-type: none"> • of the system • of strategy and licensing standards (cooperation) - Spirit of cooperation

Summary maturity assessment of the Greek model

The Greek licensing system lacks **integrated strategic approach**. Emphasis is mainly placed on **processing of requests** and is characterised by **low degree of standardisation**. Until today, **it has not been possible to establish a spirit of cooperation** between the public and the private sector, which would allow the achievement of a broad consensus for the radical change of the licensing model.

In the field of "Licensing Strategy", the system is assessed at Maturity Level "1".

Greece 2013:
lack of strategy regarding production
lack of integrated strategy for licensing
insufficient cooperation between state and enterprises

Governance, roles and responsibilities

Level 1	Level 3	Level 5
Numerous separate licensing bodies/service points		
<ul style="list-style-type: none"> - Numerous different licensing stakeholders - Fragmentation of the licensing process to several individual stakeholders – lack of one stop shops 	<ul style="list-style-type: none"> - Existence of one stop service at least at licensing body level that intermediates for the completion of the licensing process - Insufficient utilisation of interdepartmental teams 	<ul style="list-style-type: none"> - Existence of central service points - centres of excellence with end-to-end responsibilities - Optimal combination of centralisation and decentralisation of responsibilities in order to maximise performance
Segregation of roles and responsibilities		
<ul style="list-style-type: none"> - Insufficient segregation of roles and responsibilities both between and within stakeholders' organisations 	<ul style="list-style-type: none"> - Distinct and standardised roles and responsibilities of licensing stakeholders - Clear structure with distinct planning, request processing and control responsibilities 	<ul style="list-style-type: none"> - Roles and responsibilities are determined by licensing strategy and are specialised at central administration/prefecture level
Utilisation of administration tools		
<ul style="list-style-type: none"> - Lack of tools regarding administration/legal framework operational specialisation 	<ul style="list-style-type: none"> - Existence of administration tools for achieving specialisation and supporting the compliance to legal requirements 	<ul style="list-style-type: none"> - Segregation between legal framework and administration tools
Performance of procedures		
<ul style="list-style-type: none"> - Performance of licensing process exclusively internally by public administration (in-sourcing) 	<ul style="list-style-type: none"> - Selective delegation of responsibilities to third-parties for the processing of license requests (co-sourcing) 	<ul style="list-style-type: none"> - Ability to outsource part or all of the licensing responsibilities (co-sourcing & out-sourcing)

Greece 2013:
numerous different licensing stakeholders
fragmentation - lack of an integrated approach
lack of administration tools
focus is on the processing of requests

Summary maturity assessment of the Greek model

The Greek licensing system features a **large number of different stakeholders**. It has also been established that **segregation and standardisation of roles** and responsibilities are of **satisfactory level**, mainly as regards to the environmental licensing process and the licensing process for industrial activities.

The current licensing system **does not utilise modern administration tools**. On the contrary, guidance and directions for the execution of procedures are provided by legal and administrative texts. Lastly, it must be noted that **most of the process is performed internally** by public administration services.

In the field of "Governance, roles and responsibilities", the system is assessed at Maturity Level "1".

Licensing procedures

Level 1	Level 3	Level 5
Degree of standardisation		
<ul style="list-style-type: none"> - Lack of standardisation regarding: <ul style="list-style-type: none"> • licensing requests and file content (studies etc.) • advisory bodies & consultation documents • tools (consultation, evaluation and inspection documents) 	<ul style="list-style-type: none"> - Partial standardisation, at least regarding: <ul style="list-style-type: none"> • licensing requests and file content (studies etc.) • advisory bodies & consultation documents • tools (consultation, evaluation, inspection and other relevant documents) 	<ul style="list-style-type: none"> - High degree of standardisation and computerisation of procedures with the use of specialised IT systems
Process deadline/period for completion		
<ul style="list-style-type: none"> - Lack of realistic deadlines for the completion of licensing process or total absence of any relevant provision 	<ul style="list-style-type: none"> - Realistic deadlines which are complied to - The compliance to deadlines is monitored for achieving constant improvement 	<ul style="list-style-type: none"> - Ability to grant licences in short periods of time and in a dynamic way (updating while processing and review of compliance to standards at a later stage)
Consultation process		
<ul style="list-style-type: none"> - Established standard procedure for public consultation on licensing – the timely social consensus is not ensured 	<ul style="list-style-type: none"> - Consultation outcome at least regarding environmental licensing – ensuring that social consensus is achieved to some extent 	<ul style="list-style-type: none"> - Gradation of consultation process at national or local planning level
Codification of activities		
<ul style="list-style-type: none"> - Different codification of activities in every individual licensing procedure 	<ul style="list-style-type: none"> - Common activity codification between stakeholders or activity matching based on function 	<ul style="list-style-type: none"> - Uniform activity codification throughout licensing process (tree diagram)
Processing of requests (standardisation of procedures, adoption of common and best practices etc.)		
<ul style="list-style-type: none"> - Absence of common practices regarding the practices applied by licensing bodies - Repeated actions or/and overlapping requirements between licensing bodies - Inflexible licensing process – handle every amendment request referring to existing facility as new request - Limited or no application of best practices 	<ul style="list-style-type: none"> - Application of common practices from common practice tool boxes - Minimisation of repeated and overlapping requirements between licensing bodies - Establishment of a dynamic procedure regarding amendment requests that concern licensed facilities (dynamic facility file) - Standards procedures - Partial adoption of best practices in individual procedures 	<ul style="list-style-type: none"> - Implementation of best practices in all procedures - Mechanism for monitoring compliance to best practices and application of innovations in procedures and in the licensing system in general

Greece 2013:
time delays
lack of common practices and limited standardisation
lack of administration tools
mock public consultation procedures

Summary maturity assessment of the Greek model

As far as procedures are concerned a **lack of standardisation** has been identified. It was also noted that there are **differences among practices** applied by Licensing Authorities. In some cases the absence of legal deadlines is identified. In other cases, whereby legal deadlines exist, they are not always abided.

A lack of **practical and useful directions/administration tools** is identified. The above are usually **substituted by legal texts** which by nature are not user-friendly. Moreover, there is a lack of uniform **codification** of projects and activities for every individual licensing procedure.

The **consultation process** is characterised by **low effectiveness** as the most significant factor of insecurity for enterprises is the possibility of an appeal at a later stage. The **general spirit of disbelief among society-state-enterprises** contributes further towards this mentality.

The **recent legal initiatives** aiming to the simplification of licensing procedures, which include Law 4014/2011 for environmental licensing and Law N.3982/2011 for the licensing of industrial activities, are regarded as positive. However, they have not been universally adopted yet, as the implementation acts have yet to be issued.

In the field of "Licensing Procedures", the system is assessed at Maturity Level "2".

Systems and technologies

Level 1	Level 3	Level 5
Utilisation of electronic data bases		
<ul style="list-style-type: none"> - There is no electronic register, even at individual functional unit level, to monitor the licensing process in a dynamic way and keep a historical record 	<ul style="list-style-type: none"> - Electronic register, at individual licensing body level, to monitor the licensing process in a dynamic way and keep a historical record - Periodic collection of data/electronic registers/data bases, by central administration 	<ul style="list-style-type: none"> - Uniform data base and access granted to all stakeholders - Central information system for managing the licensing process with computer terminals at all stakeholders
Computerisation degree/ IT systems utilisation		
<ul style="list-style-type: none"> - Insufficient computerisation of the licensing process - Lack of supporting systems 	<ul style="list-style-type: none"> - Support from IT systems at least at process level (e.g. environmental licensing) and ability to connect to systems supporting other processes - Support the creation of reports where applicable - Rudimentary digitalisation of tools – tool boxes: evaluation, consultation, inspection and other documents. 	<ul style="list-style-type: none"> - Full computerisation of the process. Interface available to enterprises – ability to submit requests and monitor their progress - Development of systems that support decision-making
Public availability of information		
<ul style="list-style-type: none"> - Insufficient technical support for publishing information 	<ul style="list-style-type: none"> - Support for providing information regarding the progress of requests (e.g. Ministry of Environment, Energy & Climate Change) 	<ul style="list-style-type: none"> - Licences register, available to the public through internet with levels of access to information

Summary maturity assessment of the Greek model

There is **lack of supporting systems** and significant **deficiency in computerisation of procedures**.

It was noted that internal correspondence (between public service offices, e.g. from licensing authorities to consultation authorities) is performed in paper. As a consequence, the time needed for the delivery of documents is more compared to the time that would be needed if the documents were sent electronically in an appropriate form (e.g. PDF) and by using the appropriate authentication methods.

Moreover, technology is not utilised in all areas of licensing regarding non-confidential information publishing.

Lastly, it is regarded as a **positive step**, although performed to a limited degree, **the availability of Environmental Terms Approval Decisions in the internet**, in their final form.

As regards the utilisation of "Systems and Technologies", the licensing system is assessed at Maturity Level "1".

Greece 2013:
absence of computerised aid delays in integration of new technologies and supporting systems

Performance assessment – constant improvement

Level 1	Level 3	Level 5
Goal setting/performance indices		
<ul style="list-style-type: none"> - Lack of goal setting and performance indices, at process level - Lack of goal setting and performance indices, at stakeholders' efficiency level (e.g. meeting deadlines) - Absence of goal setting and measurement of performance in economic terms 	<ul style="list-style-type: none"> - Use of performance indices and application of realistic performance goal setting for every individual process - Use of performance indices and application of realistic performance goal setting for every individual licensing body 	<ul style="list-style-type: none"> - Goals and performance indices determined through the cooperation of personnel and enterprises - Complete performance assessment framework and motivation system with dynamic application
Monitoring of performance		
<ul style="list-style-type: none"> - Lack of measurement, monitoring and assessment procedures regarding the performance of the current licensing model, even at individual process level - Lack of assessment and feedback processes at all levels 	<ul style="list-style-type: none"> - Monitoring of indices and measurement of goal achievement at individual processes level and respective stakeholders - Periodic assessment and provision of feedback regarding the system - Central complaint submission mechanism - Clear structure for performance assessment at least at process level (e.g. environmental licensing, industrial unit operating and installation licence) 	<ul style="list-style-type: none"> - Transparency in monitoring of licensing procedure progress - Integration of the complaint submission mechanism in the performance assessment system - Clear structure for the performance assessment of the end-to-end licensing system
Reward and motivation systems		
<ul style="list-style-type: none"> - Lack of reward and motivation system 	<ul style="list-style-type: none"> - Link between the performance assessment of licensing bodies and personnel performance assessment 	<ul style="list-style-type: none"> - Complete performance assessment framework and motivation system with dynamic application - Motivation and reward system linked to the performance assessment of bodies and executives - Connection between personal assessment and body's, process's and system's performance

Greece 2013:

lack of realistic goal setting

absence of indices measuring economic performance and quality

lack of systematic monitoring, assessment and improvement of performance

lack of reward and motivation systems

Summary maturity assessment of the Greek model

In the existing licensing system no performance assessment process has been identified. More specifically, there is lack of:

- **Clear and measurable targets**, a fact which is related to the overall lack of strategy.
- **Clear, measurable and realistic performance indices** (at individual process and stakeholder/functional unit level), apart from legal provisions for deadlines in certain procedures.
- **Mechanisms/structures for monitoring and assessment of the system.** The provision for the new industrial licensing framework (L. 3982/2011) referring to the formation of the Central Licensing Administration

Coordination Team has been regarded as positive. Nevertheless, the implementation act which is necessary for the commencement of its activity has yet to be issued.

The scope of such mechanism would include identifying problems, taking corrective/improvement measures and activating tools provided for by the system itself (e.g. provision for convening Central or Regional Environmental Licensing Council meeting in case of environmental licensing).

- **Systematic and uniform monitoring** based on qualitative or/and quantitative characteristics and **regular performance assessment** of the system, either regarding individual processes and stakeholders or the end-to-end licensing system for every business activity/sector.

Given the lack of such mechanisms, **the integration of systems linking stakeholders' performance to personnel's performance** becomes more difficult.

It must be noted that, to some extent, the findings of the study describe not only the licensing process but also reveal the overall problems of public administration in general.

As regards "Performance Assessment and Constant Improvement", the licensing system is assessed at Maturity Level "1".

Organisation and human resources

Level 1	Level 3	Level 5
Training of public administration executives		
<ul style="list-style-type: none"> - Lack of training on licensing issues of the stakeholders' personnel who are involved in the licensing process 	<ul style="list-style-type: none"> - Defined training programme for executives directly involved in licensing process - Training on general licensing principles for personnel that is not directly involved (e.g. consultation bodies) - Ability to develop training programs, in cooperation with enterprises, in order to further educate the executives of public administration and enterprises who engage in licensing procedures (visits to enterprises' facilities, fora etc.) 	<ul style="list-style-type: none"> - Organised and regular training programs, based on global experience (visit facilities in foreign countries, exchange information and knowhow with foreign licensing authorities etc.)
Capabilities of public administration executives		
<ul style="list-style-type: none"> - Lack of explicit written descriptions of capability requirements for personnel involved in licensing, across the levels of public administration 	<ul style="list-style-type: none"> - Explicit written descriptions of capability requirements for personnel involved in licensing, across the levels of public administration 	<ul style="list-style-type: none"> - Explicit written descriptions of capability requirements for all personnel across the levels of public administration and appropriately designed development and career plans - Professional certifications both in public and private sectors
Exchange of information/sharing of knowhow		
<ul style="list-style-type: none"> - Absence of information sharing between stakeholders serving the transfer of knowhow 	<ul style="list-style-type: none"> - Ad hoc information exchange mechanism between stakeholders, in events such as innovations or special cases 	<ul style="list-style-type: none"> - Standardised and automated exchange of information between stakeholders

Greece 2013:
absence of an integrated training and development programme for executives

disorganised mechanism for defining staffing requirements

lack of standard mechanism for sharing knowledge

lack of qualifications' certification

Summary maturity assessment of the Greek model

It has been assessed that there is **no systematic mechanism for defining staffing requirements** as regards the personnel of licensing stakeholders.

Furthermore, **there is no provision for an integrated training system for new and existing executives**, a system for timely updating and responding to forthcoming legal changes, as well as an **organised way for exchanging information and forming common practices** between services and public administration executives involved in the licensing process.

All the above result in **significant differentiations regarding the effectiveness of licensing stakeholders**, as performance depends on informal communication and personal interest and initiatives from individual public administration executives.

As regards "Organisation and Human Resources", the licensing system is assessed at Maturity Level "2".

Legal framework

Level 1	Level 3	Level 5
Simplicity and clarity of content/Codification		
<ul style="list-style-type: none"> - Vast number of legal texts - Complex legal framework - Outdated provisions - Absence of systematic functional codification of existing and new legal texts which pertain to licensing but also of any other provision that defines activity requirements - Slow provision updating process 	<ul style="list-style-type: none"> - Systematic simplification of legal framework - Centralisation and formation of licensing legal frameworks for every activity - Functional codification of legal texts - Prompt provision updating process 	<ul style="list-style-type: none"> - Regular simplification of legal framework – abolition of outdated provisions - Simplicity and clarity of content - Systematic codification of legal framework
Legal certainty		
<ul style="list-style-type: none"> - Lack of legal certainty (legal change of terms, subsequent inconsistent provisions) 	<ul style="list-style-type: none"> - Establishment of legal mechanisms that reinforce legal certainty (Central/Regional Environmental Licensing Councils) 	<ul style="list-style-type: none"> - Legal certainty
Separation of legal framework from administration tools – pertinence to strategy		
<ul style="list-style-type: none"> - Lack of administration tools - Legal framework used as administration tool 	<ul style="list-style-type: none"> - Segregation between legal framework and administration tools 	<ul style="list-style-type: none"> - Legal framework in line with licensing strategy - Detachment of management from legal framework

Summary maturity assessment of the Greek model

The legal framework that regulates the licensing system comprises a **vast number of legal texts**, and consequently makes it difficult even to identify the effective provisions for each sector. What is more, in some cases significant obsolescence of effective legal provisions was noted. In addition to the above, **the lack of codification or/and systematic simplification** of legal framework has also a negative impact.

The **legal changes passed** in recent years (such as L.3982/2011 and L.4014/2011) are in the right direction, nevertheless delays in issuing the necessary implementation acts, cases of inconsistency with previous relevant provisions or even delayed adjustment of subsequent provisions are identified. All the above, combined with the lack of agility needed for their prompt application and the **deficiency in administration tools**, create impediments in cases of licensing requests that are submitted immediately after the enactment of a new law. There is also lack of transitional provisions regarding requests in progress at the time of enactment of the new legal framework.

Lastly, the **lack of legal** certainty for enterprises was indicated as a significant factor that discourages entrepreneurship. This deficiency is primarily caused by the increased possibility of the interested parties appealing to justice, even after receiving the license.

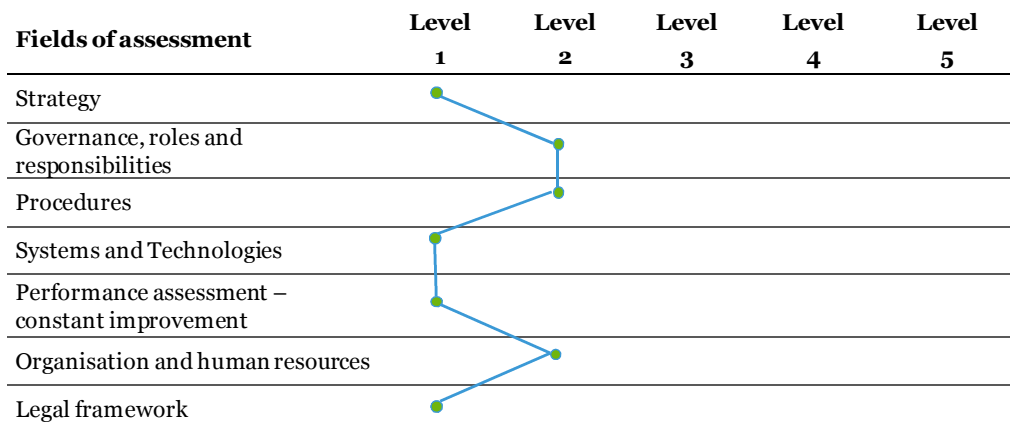
As regards the "Legal Framework", the licensing system is assessed at Maturity Level "1".

Greece 2013:
absence of codification
need for substantial and systematic simplification
legal certainty
complexity of legal framework
substitution of administration tools by legal texts

Summary of results from the maturity assessment of the Greek licensing model

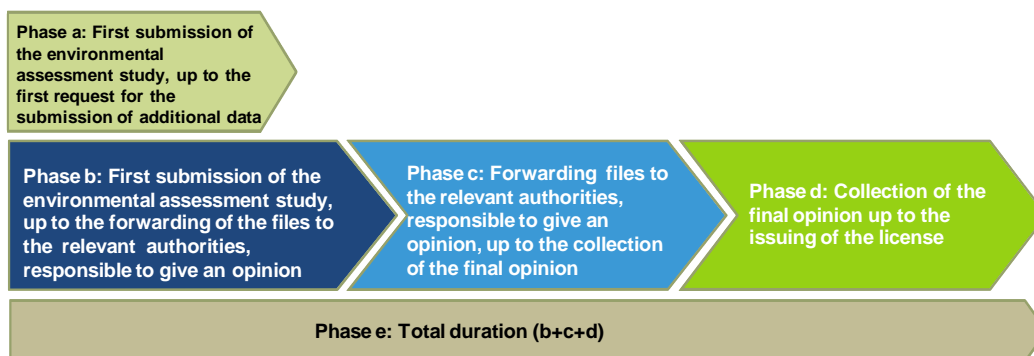
The aggregate assessment of the Greek licensing system's maturity, based on the above seven assessment criteria, is presented in the following chart.

Chart 4. Assessment of the licensing system



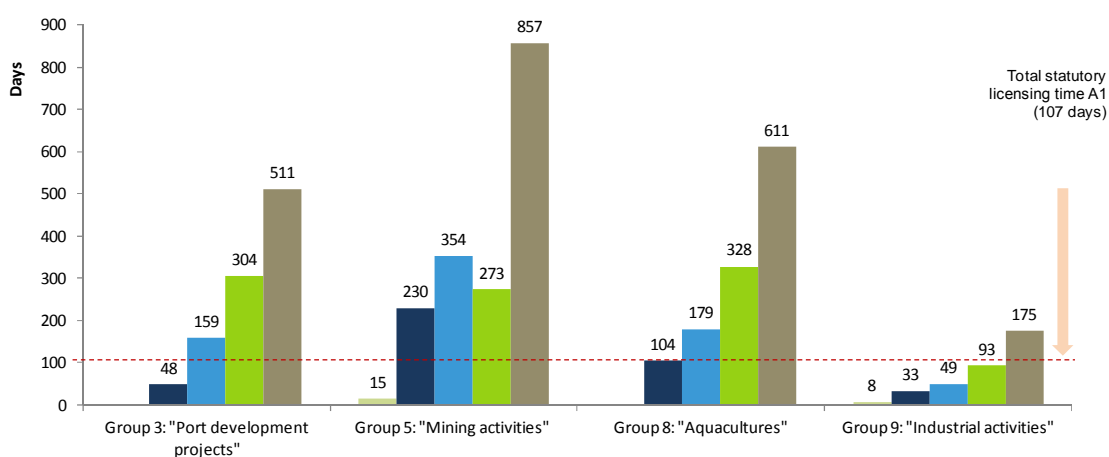
3.2. Detailed presentation of the time required for each phase of an Environmental Terms Approval Decision (ETAD)

The detailed presentation of the time required for each phase of an ETAD is based on a sample of decisions published in the website of the Ministry of Environment, Energy & Climate Change. The phases required for the issue of an ETAD, which are analysed, below are the following:



in A1 category the total average time deviation from the provisions of the statutory framework constitutes 84% of total time (674 days) required for the issue a new ETAD - five times the statutory deadline

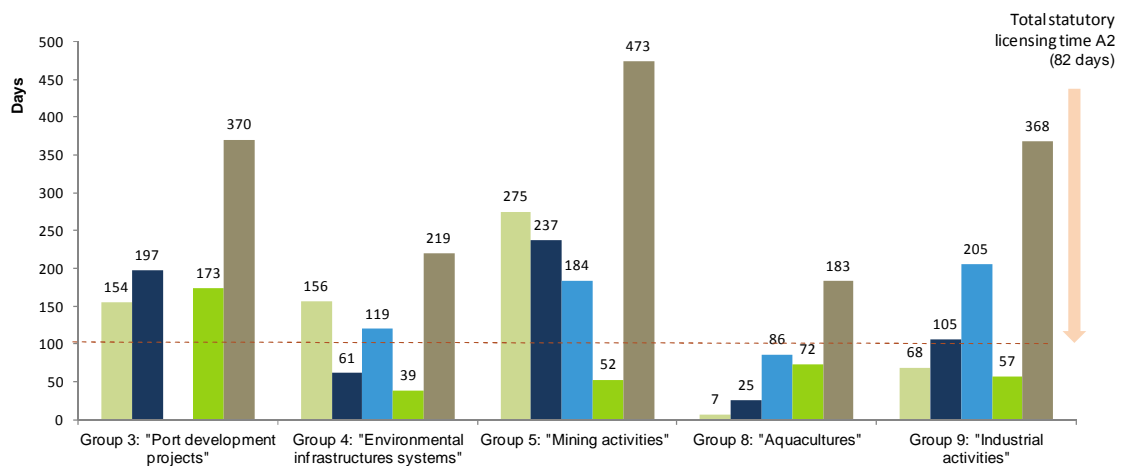
Chart 5. New ETAD, A1



For the issue of a new category A1 ETAD, the average delay in the issue of the ETAD (amount of time by which the process exceeds the legal deadlines) ranges from 68 to 750 days. The highest time deviation is noted in Group 5: "Mining activities".

Mining - issue of a new A1 ETAD: The average time deviation from the provisions of the legal framework constitutes 88% of total time (857 days) required for the issue a new ETAD - **which is seven times the legal deadline.**

Chart 6. New ETAD, A2



in A2 category the total average time deviation from the statutory provisions constitutes 77% of total time (275 days) required for the issue a new ETAD - three times the statutory deadline

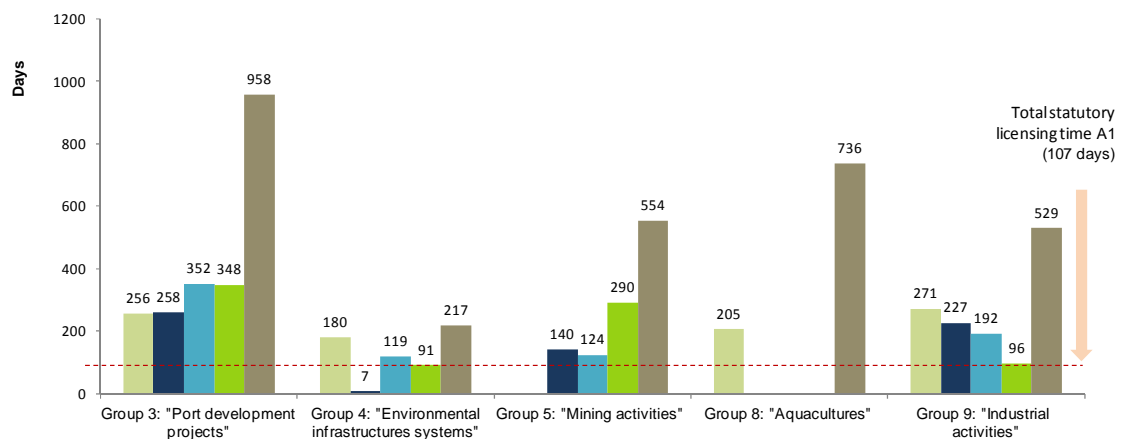
The average time delay in the issue of a new A2 ETAD (amount of time by which the process exceeds the legal deadlines) ranges from 101 to 391 days. The highest time deviation is noted in Group 5: "Mining activities".

Mining - issue of a new A2 ETAD: The time deviation constitutes 83% of total time (473 days) - **which is four times the legal deadline.**

Manufacturing industry - issue of a new A2 ETAD: The time deviation constitutes 78% of total time (368 days) - **which is three times the legal deadline.**

The delay noted in environmental licensing of A2 industrial activity is four times the delay for A1 industrial activity.

Chart 7. ETAD amendment, A1



For the amendment/renewal of an A1 ETAD, the average delay in the issue of the ETAD (amount of time by which the process exceeds the legal deadlines) ranges from 110 to 851 days.

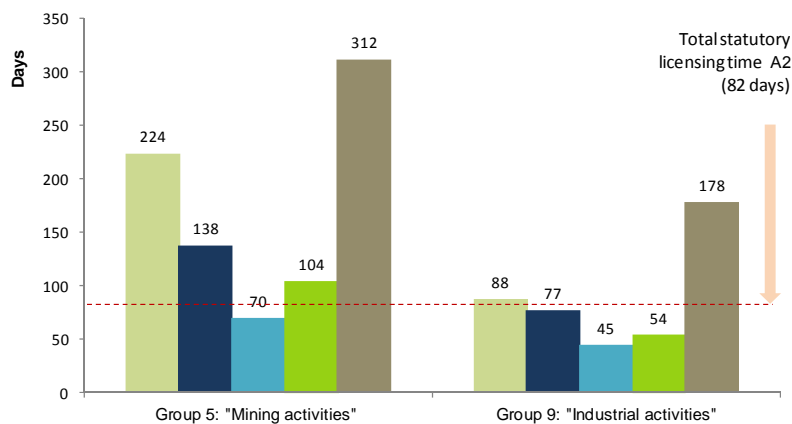
Port development projects - A1 ETAD amendment: The time deviation constitutes 89% of total time (958 days) - **which is eight times the legal deadline.**

Mining - A1 ETAD amendment: The time deviation constitutes 81% of total time (554 days) - **which is four times the legal deadline.**

Manufacturing industry - ETAD amendment A1: The time deviation constitutes 80% of total time (529 days) - **which is four times the legal deadline.**

The time delay (amount of time by which the process exceeds the legal deadlines) noted in A1 ETAD amendments is six times the delay noted in the issue of new A1 ETAD for industrial activity.

Chart 8. ETAD amendment, A2



Mining - A2 ETAD amendment: The time deviation constitutes 73% of total time (312 days) - **which is approximately three times the legal deadline.**

Note: In the above charts, for the phases not featuring bars there is no available data.

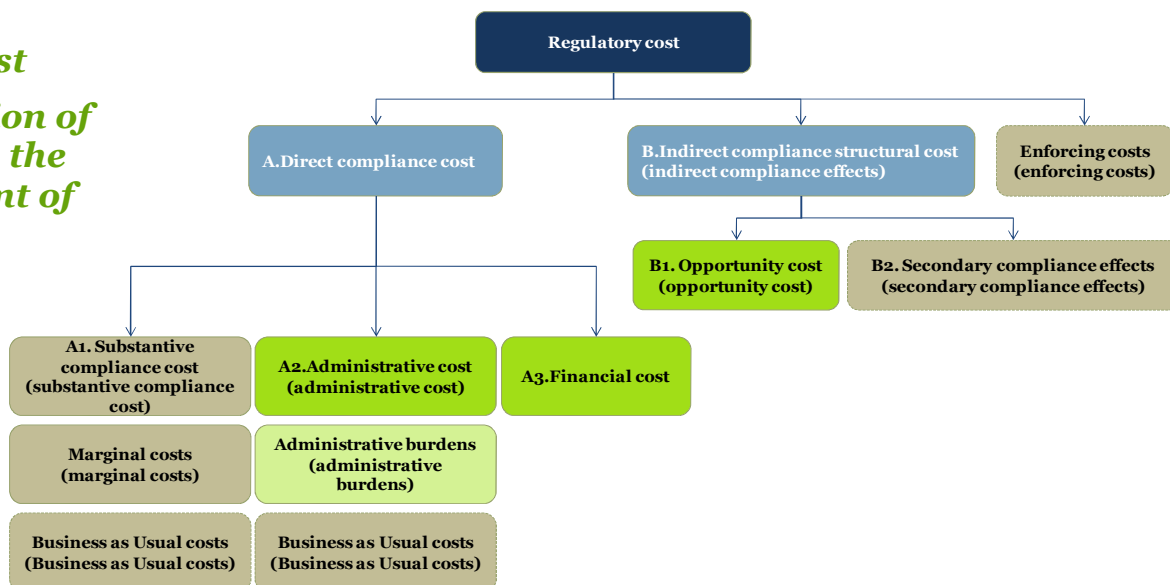
enterprises
 indicate
 opportunity cost
 as the most
 significant
 licensing cost

the innovation of
 this study is the
 measurement of

3.3. Licensing cost

The assessment of regulatory cost is based on the expanded Standard Cost Model which is presented in the following diagram.

Chart 9. Regulatory cost categories



3.3.1. Regulatory cost analysis

Direct regulatory cost

A significant category of direct licensing regulatory cost is the **administrative licensing cost** (internal and external).

In case of operating and installation licence for industrial facilities, the administrative cost is **reduced in cases of facilities situated inside industrial estates** (no VIPE operation license is required) compared to the cost for facilities situated outside such estates.

Whereas administrative cost is not considered significant in relation to the total cost of large investments, **in cases of simple renewals** (which do not refer to any investment), **in absolute terms the administrative cost is considered high.**

Moreover, it is estimated that **this burden is heavier for small and medium enterprises**, in relation to their turnover.

Lastly, an important cost category, in some activity groups, is also the category of **"Other licensing costs"**. This category consists of costs incurred by the company in order to facilitate and expedite the completion of the licensing process as well as **costs that are state's responsibility² but are passed on to enterprises.**

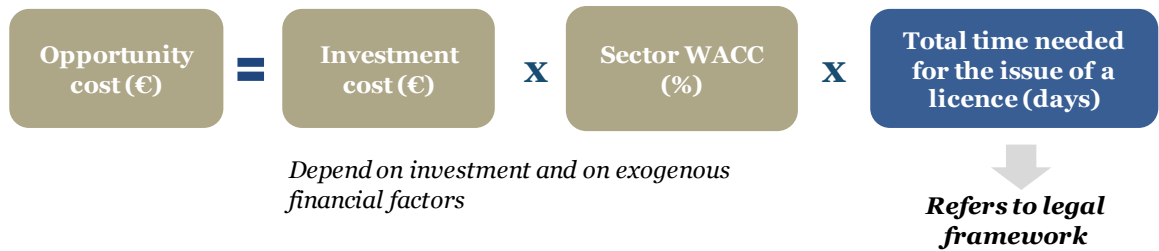
Indirect compliance structural cost

The most significant cost for enterprises is the **opportunity cost**.

The factors that determine opportunity cost are presented in the following chart:

² Examples of such costs include the study for the delineation of seashore and beach as well as the cost for the display of archaeological finds.

Chart 10. Opportunity cost determinants

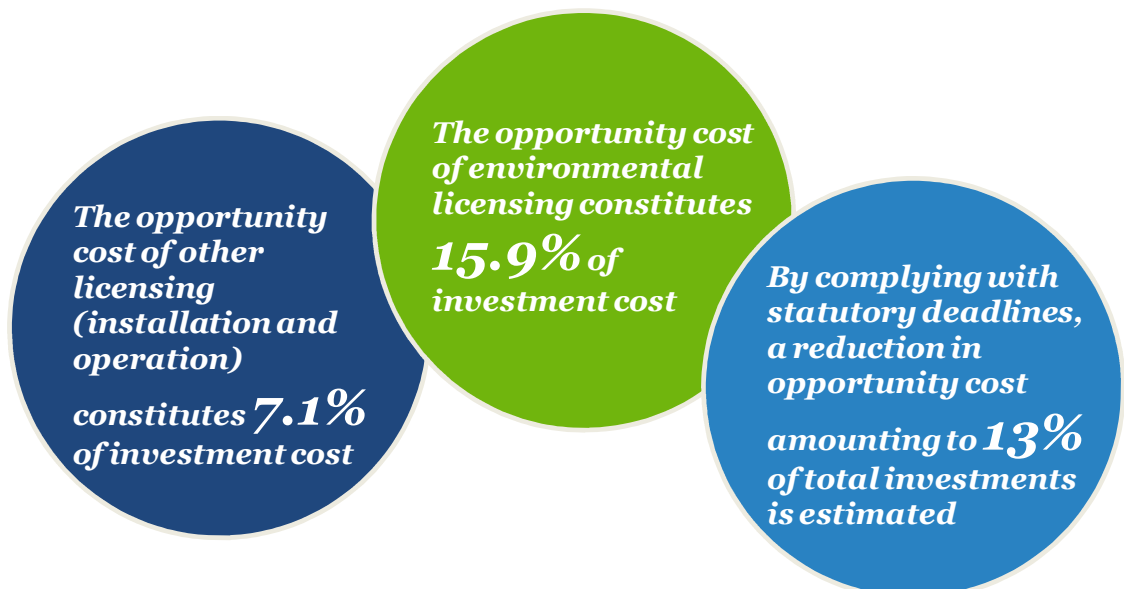


WACC= Weighted Average Cost of Capital

The main conclusions per industry are presented below.

Assuming six (6) months as the indicative time required for the completion of the licensing process for every investment of 1 million Euro.

Industrial activities: <i>(WACC of the industry ranges from 7.1% to 8.2%)</i>	The opportunity cost ranges between €35,500 (1 mil. x 7.1% x 6/12) and €41,000 (1 mil. x 8.2% x 6/12)
Mining activities: <i>(WACC of the industry ranges from 12.8% to 13.1%)</i>	The opportunity cost ranges between €64,000 and €65,500
Aquacultures: <i>(WACC of the industry ranges from 5.1% to 5.7%)</i>	The opportunity cost ranges between €25,500 and €28,500
Environmental infrastructures systems: <i>(WACC of the industry 8.2%)</i>	The opportunity cost amounts to €41,000



At the same time, according to the records of Bank of Greece (March 2013), the average interest rate of business loans ranged between 5.80% and 7.56%, depending on the type and amount of loan.

3.3.2. Comparison between actual licensing opportunity cost and licensing cost assuming that legal deadlines are met

Environmental licensing

Investments	Sector	Legal period for the issue of an ETAD (days)	Total time needed for the issue of an ETAD (days)	Investment cost (€) (A)	Sector WACC	Investment opportunity cost of total time required for the completion of the process (B)	Investment opportunity cost of legal deadline for an ETAD issue (C)	Investment opportunity cost of time exceeding legal deadlines (D) = (B) - (C)	Opportunity cost of total time required for the completion of the process, as percentage of investment cost (%) (E) = (B) / (A)	Opportunity cost of delays, as percentage of investment cost (%) (F) = (D) / (A)	Investment description
Group 9: "Industrial activities"											
Investment 9.1	TOBACCO	107	150	88,400 €	7.1%	2,579 €	1,840 €	739 €	2.9%	0.8%	Modernisation (installation of new machinery) in industrial estates (VIPE)
Investment 9.2	FOODS	82	150	2,007,818 €	7.5%	61,885 €	33,830 €	28,054 €	3.1%	1.4%	Modernisation of a production unit (machinery) in industrial estates (VIPE)
Investment 9.3	MINERALS	107	163	500,000 €	8.2%	18,310 €	12,019 €	6,290 €	3.7%	1.3%	Amendment of environmental terms of an aluminium factory (change of processing method)
Investment 9.4	MINERALS	107	359	- €	Refers to amendment/renewal of environmental licence, there is no investment cost						Amendments for new investments: a) Continuous casting line, b) Delacquering furnace
Investment 9.5	MINERALS	107	58	- €	Refers to amendment/renewal of environmental licence, there is no investment cost						ETAD renewal
Investment 9.6	CEMENT	107	205	- €	Refers to amendment/renewal of environmental licence, there is no investment cost						ETAD renewal
Investment 9.7	FOODS	82	220	212,409 €	7.5%	9,602 €	3,579 €	6,023 €	4.5%	2.8%	New licence for processing of catches
Group 9 Total				2,808,627 €		92,376 €	51,268 €	41,107 €	3.3 %	1.5%	
Group 9 Average			186	401,232 €		13,197 €	7,324 €	5,872 €			
Group 5: "Mining activities"											
Investment 5.1	CONSTRUCTION MATERIALS	107	913	973,200 €	13.1%	318,723 €	37,374 €	281,349 €	32.8%	28.9%	Modification of industrial ore mining facility inside a Natura site

Investments	Sector	Legal period for the issue of an ETAD (days)	Total time needed for the issue of an ETAD (days)	Investment cost (€) (A)	Sector WACC	Investment opportunity cost of total time required for the completion of the process (B)	Investment opportunity cost of legal deadline for an ETAD issue (C)	Investment opportunity cost of time exceeding legal deadlines (D) = (B) - (C)	Opportunity cost of total time required for the completion of the process, as percentage of investment cost (%) (E) = (B) / (A)	Opportunity cost of delays, as percentage of investment cost (%) (F) = (D)/(A)	Investment description
Investment 5.2	MINING	107	1,020	3,024,390 €	12.8%	1,081,820 €	113,485 €	968,335 €	35.8%	32.0%	New ore mining licence (expansion of the existing activity - was processed as new)
Investment 5.3	MINING	107	1,205	3,079,890 €	12.8%	1,300,946 €	115,568 €	1,185,378 €	42.2%	38.5%	New industrial ore mining licence
Investment 5.4	RAW MATERIALS	107	44	- €		Refers to amendment/renewal of environmental licence, there is no investment cost					Renewal of limestone quarry operation licence
Investment 5.5	CONSTRUCTION MATERIALS	107	320	- €		Refers to amendment/renewal of environmental licence, there is no investment cost					Renewal of environmental impact assessment for quarry
Investment 5.6	CONSTRUCTION MATERIALS	107	240	- €		Refers to amendment/renewal of environmental licence, there is no investment cost					Renewal of environmental impact assessment for quarry
Group 5 Total				7,077,480 €		2,701,489 €	266,426 €	2,435,062 €	38.2 %	34.4%	
Group 5 Average			624	1,179,580 €		450,248 €	44,404 €	405,844 €			
Group 8: "Aquacultures"											
Investment 8.1	AQUACULTURES	107	200	2,074,916 €	5.1%	57,984 €	31,021 €	26,963 €	2.8%	1.3%	New ETAD for aquaculture floating fattening unit, due to relocation of unit and modernisation of facilities
Investment 8.2	AQUACULTURES	107	113	716,406 €	5.1%	11,311 €	10,711 €	601 €	1.6%	0.1%	New ETAD for floating fattening unit, due to expansion of utilised sea area and increase of capacity
Investment 8.3	AQUACULTURES	82	180	- €		Refers to amendment/renewal of environmental licence, there is no investment cost					Amendment of environmental terms for floating unit capacity increase
Investment 8.4	AQUACULTURES	82	90	- €		Refers to amendment/renewal of environmental licence, there is no investment cost					Renewal of environmental terms for floating unit
Investment 8.5	AQUACULTURES	82	450	- €		Refers to amendment/renewal of environmental licence, there is no investment cost					Renewal of environmental terms for existing unit
Investment 8.6	AQUACULTURES	82	422	- €		Refers to amendment/renewal of environmental licence, there is no investment cost					Issue of Preliminary Environmental Evaluation and Assessment for the relocation of unit
Group 8 Total				2,791,322 €		69,295 €	41,732 €	27,563 €	2.5%	1.0%	
Group 8 Average			243	465,220 €		11,549 €	6,955 €	4,594 €			

Investments	Sector	Legal period for the issue of an ETAD (days)	Total time needed for the issue of an ETAD (days)	Investment cost (€) (A)	Sector WACC	Investment opportunity cost of total time required for the completion of the process (B)	Investment opportunity cost of legal deadline for an ETAD issue (C)	Investment opportunity cost of time exceeding legal deadlines (D) = (B) - (C)	Opportunity cost of total time required for the completion of the process, as percentage of investment cost (%) (E) = (B) / (A)	Opportunity cost of delays, as percentage of investment cost (%) (F) = (D)/(A)	Investment description
Group 4: "Environmental infrastructures systems"											
Investment 4.1	ENERGY	107	375	10,230,000 €	8.2%	861,842 €	245,912 €	615,930 €	8.4%	6.0%	New license for investment in mechanical waste recycling plant
Investment 4.2	ENERGY	107	375	1,130,000 €	8.2%	95,199 €	27,163 €	68,035 €	8.4%	6.0%	New licence for hazardous pharmaceutical waste incineration plant
Group 4 Total				11,360,000 €		957,041 €	273,076 €	683,965 €	7.1%	6.0%	
Group 4 Average			326	2,088,077 €		148,269 €	45,966 €	102,303 €			
General average (for all groups of activities/projects)			345	1,033,528 €		155,816 €	26,162 €	129,653 €			
Total (for all groups of activities/projects)				24,037,429 €		3,820,201 €	632,503 €	3,187,698 €	15.9%	13.3%	

Other licences

Investments	Sector	Legal period for the issue of a licence (days)	Total time needed for the issue of other licences (days)	Investment cost (€) (A)	Sector WACC	Investment opportunity cost of total time required for the completion of the process (B)	Investment opportunity cost of legal deadline for the issue of a licence (C)	Investment opportunity cost of time exceeding legal deadlines (D) = (B) - (C)	Opportunity cost of total time required for the completion of the process, as percentage of investment cost (%) (E) = (B) / (A)	Opportunity cost of delays, as percentage of investment cost (%) (F) = (D) / (A)	Investment description		
Group 9: "Industrial activities"													
Investment 9.1	TOBACCO	105	150	7,807,560 €	7.1%	227,810 €	159,467 €	68,343 €	2.9%	0.9%	Plant relocation inside an industrial estate		
Investment 9.2	FOODS	15	60	5,000,455 €	7.5%	61,649 €	15,412 €	46,237 €	1.2%	0.9%	Modernisation of enterprise inside an industrial estate		
Investment 9.3	REFINING	75	150	<i>The consultant was not provided with data regarding the investment cost</i>									New licence for primary and auxiliary production units, outside of industry estate
Group 9 Total				12,808,015 €		289,459 €	174,879.10 €	114,579.97 €	2.3%	0.9%			
Group 9 Average			120	6,404,007 €		144,730 €	87,440 €	57,290 €					
Group 5: "Mining activities"													
Investment 5.1	MINING	90	270	3,010,227 €	12.8%	285,023 €	95,008 €	190,015 €	9.5%	6.3%	New ore mining licence (expansion of activity which was processed as a new investment). The licensing file was submitted in the last stages of ETAD and the delay of 180 days for the issue of the ore mine operation licence is due to unpredicted further delay in the ETAD issue		
Investment 5.2	MINING	365	840	3,015,000 €	12.8%	887,616 €	385,920 €	501,696 €	29.4%	16.6%	New industrial ore mining licence. The licensing file was submitted in the last stages of ETAD and the delay of 475 days for the issue of the quarry operation licence is due to unpredicted further delay in the ETAD		
Group 5 Total				6,025,227 €		1,172,639 €	480,928 €	691,711 €	19.5%	11.5%			
Group 5 Average			555	3,012,614 €		586,319.58 €	240,464 €	345,856 €					
Group 8: "Aquacultures"													
Investment 8.1	AQUACULTURE	90	790	<i>The consultant was not provided with data regarding the investment cost</i>									Renewal of production unit operation licence

Investments	Sector	Legal period for the issue of a licence (days)	Total time needed for the issue of other licences (days)	Investment cost (€) (A)	Sector WACC	Investment opportunity cost of total time required for the completion of the process (B)	Investment opportunity cost of legal deadline for the issue of a licence (C)	Investment opportunity cost of time exceeding legal deadlines (D) = (B) - (C)	Opportunity cost of total time required for the completion of the process, as percentage of investment cost (%) (E) = (B) / (A)	Opportunity cost of delays, as percentage of investment cost (%) (F) = (D) / (A)	Investment description
Group 4: "Environmental infrastructures systems"											
Investment 4.1	ENERGY	105	310	85,230,000 €	8.2%	5,935,744 €	2,010,494 €	3,925,250 €	7.0%	4.6%	New license for investment in mechanical waste recycling plant
Investment 4.2	ENERGY	105	310	11,130,000 €	8.2%	775,136 €	262,546 €	512,590 €	7.0%	4.6%	New licence for hazardous pharmaceutical waste incineration plant
Group 4 Total				96,360,000 €		6,710,880 €	2,273,040 €	4,437,840 €	7.0%	4.6%	
Group 4 Average			310	48,180,000 €		3,355,440 €	1,136,520 €	2,218,920 €			
General average (for all groups of activities/projects)			328	19,198,874 €		1,362,163 €	488,141 €	874,022 €			
Total (for all groups of activities/projects)				115,193,242 €		8,172,978 €	2,928,847 €	5,244,131 €	7.1%	4.6%	

**entrepreneurship
of the future**

emphasis on licensing

**the future of
entrepreneurship**

planning a licensing system that supports the new production model and, at the same time, serves the public interest

4. Reform strategy

During this period, in which the country experiences an unprecedented economic and social crisis, the reinforcement of the economy's competitiveness is considered crucial. This can be achieved by attracting and supporting new investments and by supporting the sustainability of the existing enterprises.

Preserving and increasing the number of sustainable and internationally competitive enterprises is a prerequisite for preserving the existing jobs and creating new.

To this purpose, the promotion of structural changes as means for the reinforcement of the Greek economy's competitiveness plays a key role. A major restructuring change is the simplification and acceleration of the licensing system for enterprises, in a way that removes any obstacles in the way of entrepreneurship and at the same time safeguards the public interest.

More specifically, as regards the licensing process, it is imperative to plan and implement an integrated **national business licensing strategy**, through the close cooperation of public and private sector.

This strategy must be **the base for a policy aiming to the shift of the production model at national level**, in the direction of reinforcing the competitiveness of the Greek economy. The licensing reform strategy must be reflected in quantified goal setting for every individual production activity at national level and must be planned within a reasonable time horizon, that is in the form of a National Plan. At the same time, it is necessary to set targets regarding fundamental restructuring changes that will promote this shift of the production model.

4.1. Recommended approach to implementation of reform

The recommended approach concerning the implementation of the licensing system reform is based on the maturity assessment of the Greek system as well as on the ability of licensing stakeholders (public services, enterprises, political system) to plan, implement and integrate the necessary changes.

Taking into account all the above factors, the approach to the system's reform must be twofold. More specifically, the following two directions are recommended:

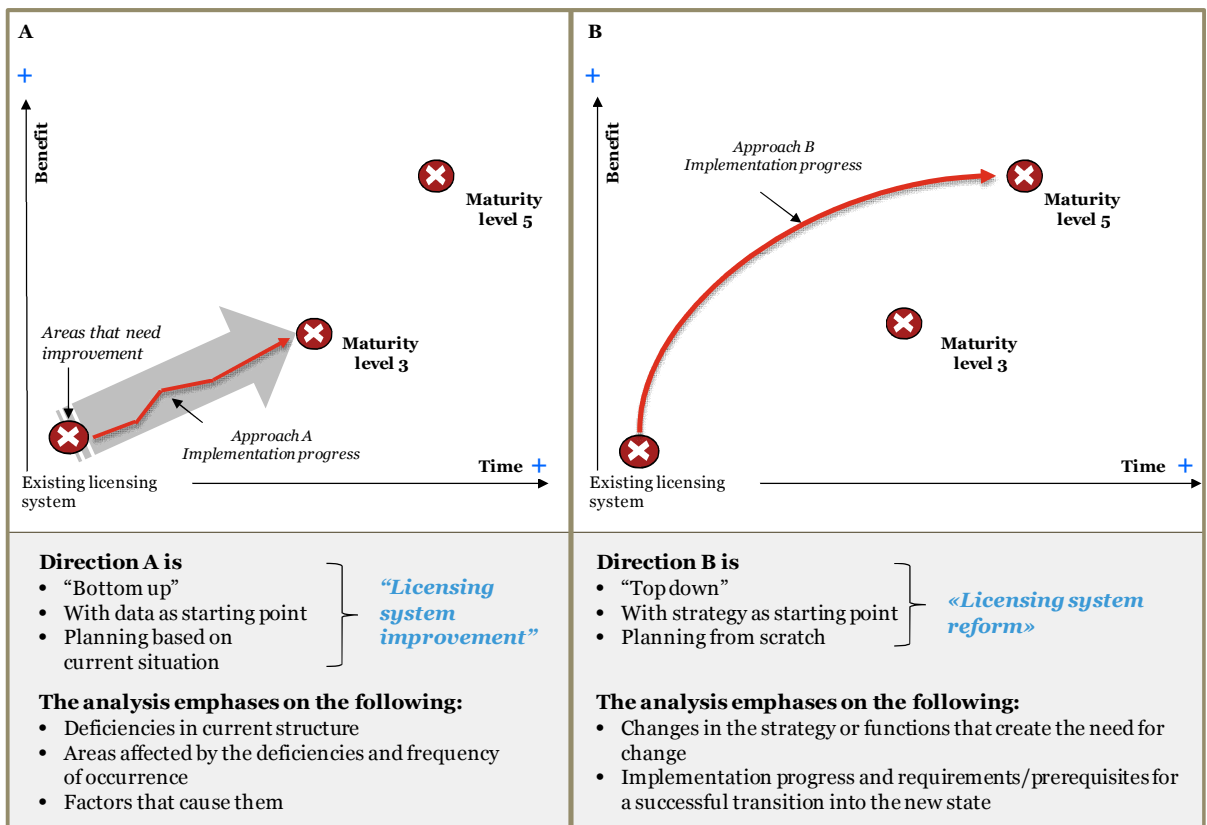
- A.** Transformation of the existing system to a licensing system of **medium maturity - level 3** (systemic improvement), placing equal emphasis on the processing of individual licensing requests and standardisation and ex-post audit of compliance to standards. **This improvement can create a more efficient system.**
- B.** Shift, in the long-term, to a licensing system of **high maturity - level 5** (paradigm shift), whereby the implementation conditions are such that surpass the licensing process itself and refer to major structural changes concerning standardisation, public administration technological infrastructures, available information, human capital etc. **This reform can lead to a system based on "declaration of compliance".**

Both directions of the licensing system's reform approach must serve a common change strategy, but with different implementation horizons. More specifically:

- **Direction A** refers to a gradual and **medium-term** improvement of the system towards a medium maturity level which can be achieved by planning improvement adjustments.
- **Direction B** refers to a **long-term** transition to a high maturity system which can be achieved by planning a wide range reform with adjustments that surpass the existing licensing system the planning of which must be performed immediately.

These two directions and their main parameters are depicted in the following chart.

Chart 11. Directions of the approach recommended for the licensing system reform



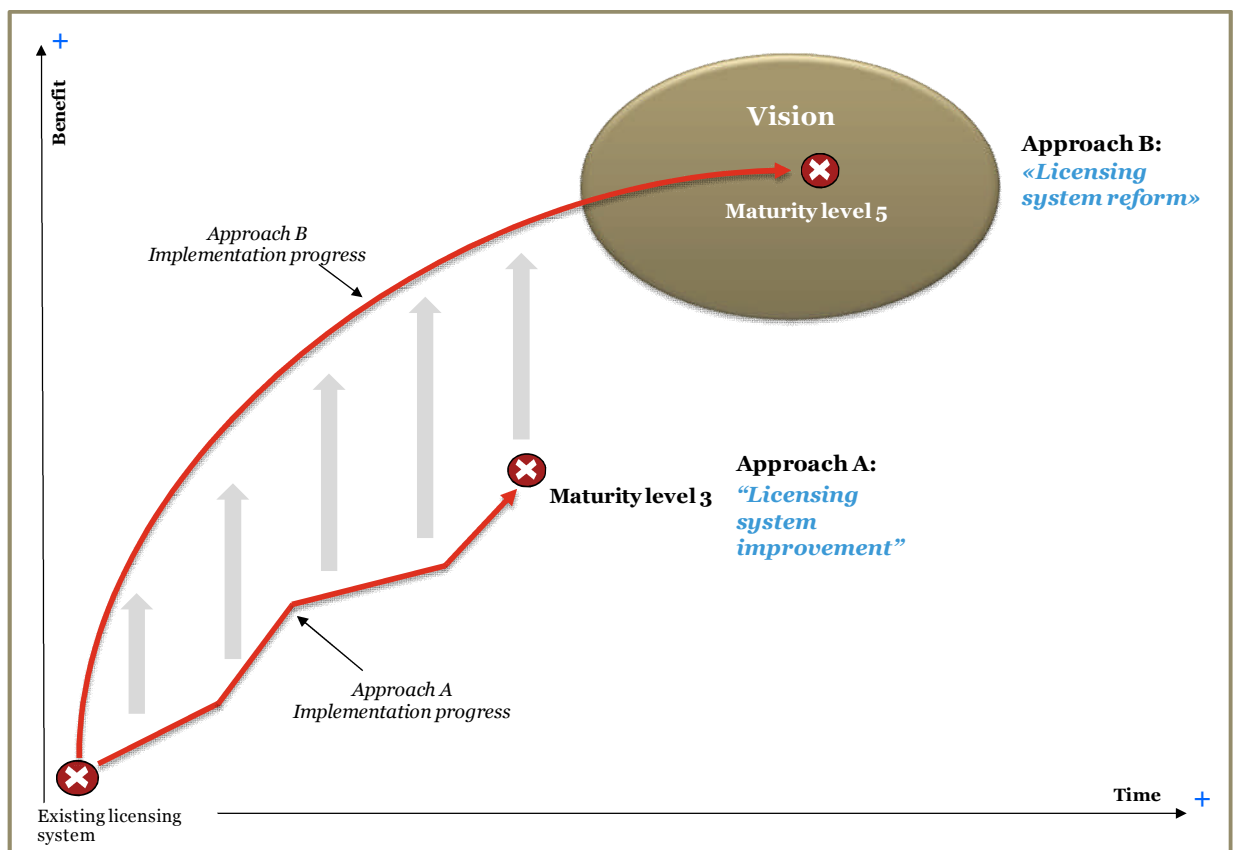
Each one of the directions presented above leads to a different level of maturity. The main features of each level of maturity refer to all the fields that need changes, as defined in the previous section.

4.2. Uniform approach recommendation for the licensing system reform

The purpose of different mixes of recommended solutions for change is on one hand to gradually achieve the improvement of the existing system in the medium-term, and on the other hand to prepare at national level for the future transition to a high maturity system.

The overall approach for the upgrade of the licensing system, including both of the directions described above, is presented in the following chart.

Chart 12. Overall strategic approach for the upgrade of the licensing system



According to the recommended approach, there is an effort to formulate a uniform strategic change, which will simultaneously satisfy two basic needs:

- a. the **need for a rapid transition** of the existing system to a level of maturity which will reinforce the productive forces of the country, create new investments and ensure sustainability of existing enterprises.
- b. the **need for substantial reform** of the system in the longer-term. This uniform strategy will allow the planning and the necessary national preparation for the future transition of the country to a dynamic and modern licensing system, which will foster entrepreneurship and, at the same time safeguard the public interest.

4.3. Main features of final systems per selection and assessment field

Recommended measures for the upgrade of the licensing system to maturity level 3 (systemic improvement)

Paradigm shift of the licensing system to maturity level 5

Strategy

Formulate an **integrated licensing approach** per activity.

Place equal emphasis on processing of individual requests, system planning, establishment of standards and their compliance control.

Gradual **reinforce standardisation** aiming to the transition to a system based on declaration of compliance.

Promote consultation with enterprises on the planning of the licensing system's strategy and standards.

Adopt ad hoc initiatives in order to reinforce confidence between the state and enterprises.

Formulate a **coherent national development strategy** per production activity.

Transition from ad hoc interventions to the **formulation of integrated dynamic licensing models** for production activities.

Place emphasis on **standardisation** of requirements.

Place emphasis on **standards and strategy compliance control**.

Transition from processing of individual licensing requests to a system based on **declaration of compliance** to standards and subsequent compliance control.

Formulate a policy for land use and prepare updated and appropriate directions of spacial planning per industry.

Cooperate with enterprises for the planning of the licensing system, strategy and standards.

Governance, roles and responsibilities

Clarify the centralisation – decentralisation mix for every type of licensing (centralisation or decentralisation of responsibilities as appropriate).

Segregate roles and responsibilities of licensing stakeholders.

Partial **utilisation of interdepartmental teams** for the processing of licensing requests.

Outsource responsibilities to third-parties for the processing of license requests (co-sourcing).

Utilise administration tools for achieving specialisation and supporting the compliance to legal requirements.

Maximise structural architecture of licensing process per activity – through centralisation or decentralisation, where necessary.

Outsource compliance controls to third parties with appropriate certification systems (out-sourcing, co-sourcing).

Establish **central service points - specialisation centres** at stakeholders.

Utilise administration tools for achieving specialisation and supporting the compliance to regulatory requirements.

Adopt initiatives – standard mechanisms, aiming to create a spirit of cooperation and **trust** between public administration, business community and citizens.

Procedures

Gradual formulate a dynamic procedure regarding amendment requests that concern licensed facilities (dynamic facility file).

Plan **new simplified procedures** and readjust the legal framework, where necessary.

Reinforce operations processing efficiency.

Establish **realistic deadlines** for the completion

Maximise degree of **standardisation and computerisation of procedures** with the use of specialised tools.

Create a **dynamic licensing process** (e.g. update on changes while processing the request).

Adopt best practices.

Recommended measures for the upgrade of the licensing system to maturity level 3 (systemic improvement)

Paradigm shift of the licensing system to maturity level 5

of steps and monitor compliance.

Reinforce standardisation at all levels.

Reinforce **consultation effectiveness** where necessary.

Systems and Technologies

Reinforce technological support through utilisation of IT and Communication Technologies and degree of computerisation.

Promote the **provision of information regarding the progress of requests.**

Unify licensing process with IT systems-
significant degree of automation.

Organise a **central IT process management system** with terminals in all stakeholders and interface with enterprises.

Develop systems that support decision-making.

Publish information on the internet with gradation of access to information.

Complete crucial information availability infrastructures in order to maximise automation and minimise ad hoc examination of every request.

Performance assessment – constant system improvement

Implement a **system that monitors, assesses** and constantly improves every type of licensing process.

Link the performance assessment of licensing bodies with personnel performance.

Plan a **reward and motivation system.**

Create an **integrated framework for measuring performance** of the licensing system.

Introduce innovations in the public sector.

Establish specialised performance indices.

Create a distinct central structure for the performance assessment of the end-to-end licensing system.

Assessment of the licensing system's efficiency.

Integrate motivations systems per activity.

Transparency regarding the progress of the licensing process.

Integrate a mechanism for submission of improvement recommendations and complaints.

Organisation and human resources

Reinforce public administration **human capital knowhow.**

Provide the appropriate conditions for the development of training programs in cooperation with enterprises.

Introduce an **information exchange mechanism**-spread knowhow among stakeholders.

Integrate a certification system for personnel engaged in licensing procedures.

Organise regular training programs, based on global experience.

Assess the performance of executives engaged in the licensing process-connection between performance and motives.

Standardised and automated exchange of information between all stakeholders.

Recommended measures for the upgrade of the licensing system to maturity level 3 (systemic improvement)

Paradigm shift of the licensing system to maturity level 5

Legal framework

Foster **legal certainty** by improving the existing legal framework.

Make an effort to radically change the existing legal framework (re-regulation where necessary).

Segregate legal framework from administration tools.

Ensure that recent legal changes are fully implemented.

Establish **legal mechanisms that reinforce legal certainty** (Central/Regional Environmental Licensing Councils).

Establish a modern legal framework according to licensing strategy per industry.

Provide for a **mechanism in order to be able to make timely adjustments in the legal framework** when necessary.

Specialise regulations, other than licensing, in a way that respond to and specialise in every sector's/business activity's needs (e.g. General Construction Regulation of manufacturing industry).

Systematically simplify and establish useful codification of legal framework.

Segregate fully legal framework from administration tools.

Apply **better regulation principles** systematically and reinforce legal certainty.

Provide for legal mechanisms that ensure the commitment of the political system and public administration.

reform of licensing system in order to

remove any obstacles to
entrepreneurship and at the same time

safeguard public interest

medium-term systemic improvement of
licensing system

simultaneous preparation for a future
transition to a system based on
"declaration of compliance"

5. Recommended measures

Based on the assessment performed and the consultation results, the optimum combination of recommendations was established. The features of this combination are presented below.

5.1. Features of recommended measures

Below the classification of **eighty three recommended measures** based on their features are presented:

Approach: Classification of recommended measures according to the maturity level they aim to achieve (Systemic improvement approach - maturity level 3 - and Licensing model reform approach - level 5).

Activity category: Classification of recommended measures according to activity category under examination (environmental licensing, industrial licensing etc).

Field and desirability: Classification of recommended measures according to field and desirability.

Chart 13. Classification of recommended measures according to maturity level

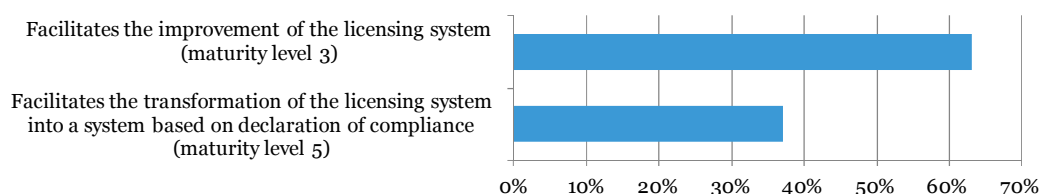


Chart 14. Classification of recommendations per activity category under examination

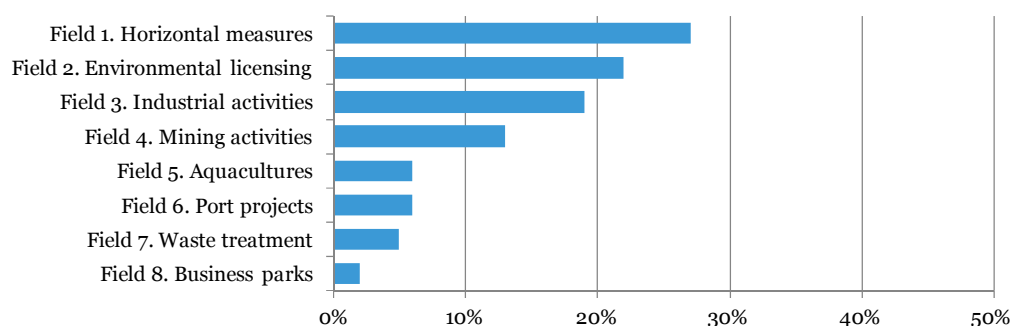
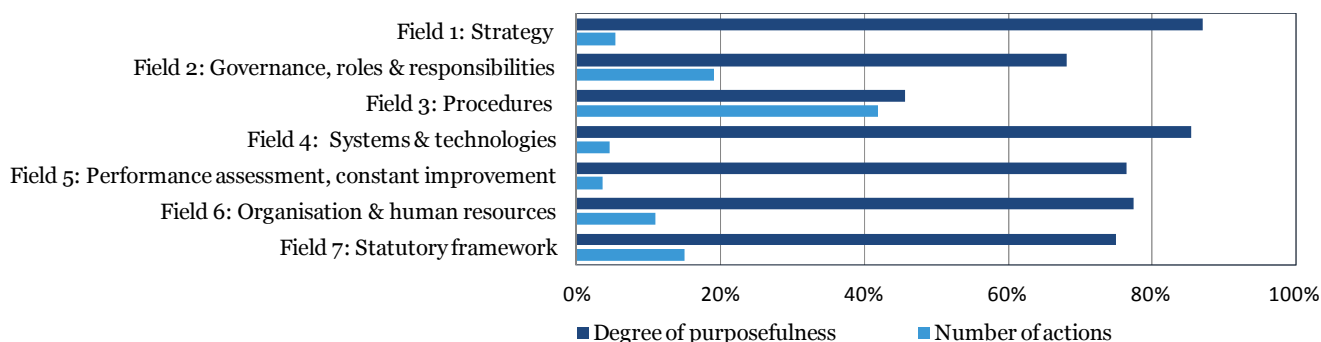


Chart 15 Classification of recommended measures according to field and desirability



strategic measures and utilisation of systems and technology measures are fewer in number, but are of vital importance

5.2. Executive summary of recommended measures combination

Activity categories

- Horizontal measures
- Environmental licensing
- Industrial activities
- Mining activities
- Aquacultures
- Port development projects
- Waste treatment
- Business parks

Fields

1. Strategy
2. Governance, roles & responsibilities
3. Procedures
4. Systems & technologies
5. Performance assessment, constant improvement
6. Organisation & human resources
7. Legal framework

Ref. No	Recommendations	Fields						
		1	2	3	4	5	6	7
1.1	Establish measurable development strategy for every sector/economic activity and adjust every licensing strategy to this strategy	√						
1.2	Create standards for every process and sector/economic activity	√						
1.3	Clarify the centralisation – decentralisation mix for every type of licensing		√					
1.4	Centralise responsibilities of every licensing stakeholder in one uniform functional unit (one-stop-shop per stakeholder)		√				√	
1.5	Establish a network of certified Files Manager in every licensing stakeholder (interdepartmental team)		√				√	
1.6	Create a central help desk in every licensing service (at Ministry level) responsible for the licensing system of sectors/economic activities		√	√			√	
1.7	Reinforce standardisation of every procedure for all licensing processes per sector/economic activity			√				
1.8	Prepare a guide for enterprises containing detailed directions for the end-to-end licensing process per sector/economic activity			√				
1.9	Prepare a useful licensing guide for every licensing process (sector/economic activity) and distribute it to all public administration executives who engage in the specific			√			√	

Ref. No	Recommendations	Fields						
		1	2	3	4	5	6	7
	licensing process							
1.10	Prepare and organise training programs and appropriate certification for executives and stakeholders directly involved in the licensing process per sector/economic activity						√	
1.11	Re-examine and re-adjust legal deadlines with the aim of limiting the total time required for the licensing process			√				
1.12	Establish a performance assessment and improvement system					√		
1.13	Implement electronic correspondence between services (email, pdf)				√			
1.14	Utilise the ability to use electronic signatures				√			
1.15	Codification or/and simplification, where necessary, of the licensing legal framework per sector/economic activity							√
1.16	Abide by better regulation rules in every legal initiative							√
1.17	Ensure that in every new legal initiative the appropriate transitional provisions are enacted in order to safeguard the uninterrupted processing of licensing requests which are in progress during the period of transition from the current to the new framework							√
1.18	Make timely and binding planning regarding the issue of implementation acts for every new legal initiative which alters the licensing system							√
1.19	Implement deadline expiration							√
1.20	Determine the optimum sequence and interconnection of individual licenses per project team and ensure that there will be no need for re-issuing individual consultations in the consecutive stages of a licensing process	√		√				
1.21	Utilise outsourcing capabilities with appropriate selection of roles and responsibilities to be outsourced		√				√	
1.22	Establish an efficient system for spacial planning and a clear framework for land use and implement it in order to complete spacial planning and expedite the establishment of cadastre, forest cadastre and archaeological cadastre	√						
2.1	Utilise Central and Regional Environmental Licensing Councils		√	√				
2.2	Create a register of certified valuers who perform		√	√			√	

Ref. No	Recommendations	Fields						
		1	2	3	4	5	6	7
	environmental impact assessments							
2.3	Centralise licensing responsibilities of a stakeholder according to administration level, in a uniform organisational team		√	√				√
2.4	Organise a central help desk for environmental licensing		√	√				√
2.5	Utilise in full the legal framework provision for a Files Manager			√				√
2.6	Opt for suitably certified company executives to prepare and sign Environmental Impact Assessments							√
2.7	Proceed to substantial standardisation and accurate definition of requirements regarding the content of Environmental Impact Assessments as well as supporting documentation accompanying Preliminary Definition of Environmental Requirements and Environmental Impact Assessments files per project team			√				
2.8	Standardise consultation authorities for every project team			√				
2.9	Improve staffing of executive positions regarding both quality and quantity			√				
2.10	Adopt appropriate environmental standards and relevant measurement indices that facilitate compliance to standards and subsequent control.			√				
2.11	Foster and improve the quality of public consultation			√				
2.12	Develop a tracking system for environmental licensing requests				√	√		
2.13	Expedite the creation of an Electronic Environmental Register				√			
2.14	Implement a binding planning procedure and expedite the issue of all legal provisions of Law 4014/2011							√
2.15	Match activities of Ministerial Decision 4187/266/2012 to the activities of group 9 of Ministerial Decision 1958/2012							√
2.16	Extend the period of validity of all individual licences and consultations to match the ETAD validity period			√				
2.17	Examine the possibility to create a environmental licence processing body that operates on a retributive basis		√					
2.18	Develop initiatives in order to form a common	√						

Ref. No	Recommendations	Fields						
		1	2	3	4	5	6	7
	perception of environmental licensing among public administration, enterprises and political leadership and reinforce the credibility of public administration							
3-1	Implement the provision of Law 3982/2011 for the formation of a Central Licensing Administration Coordination Team		√				√	
3-2	Promote the operation of Professional Chambers as licensing bodies		√					
3-3	Promote the operation of Citizens Service Centres (KEP) as information centres according to the relevant provision of Law 3982/2011		√					
3-4	Appoint File Managers			√				
3-5	Organise a Help Desk at the Ministry of Development		√	√				
3-6	Redefine standards and thresholds for the exemption of enterprises from the obligation to amend their operating and installation licence in cases of modernisation, modification or/and expansion	√		√				
3-7	Update standards/obligation requirements regarding the preparation and the submission of location studies			√				
3-8	Re-examine the reasoning behind the substitution of installation licences			√				
3-9	Clarify or/and re-define, if necessary, the terms of issue of liquid waste reuse licence			√				
3-10	Match the industrial activities codification, according to environmental impact category and degree of disturbance			√				
3-11	Establish standards and fire protection specifications for all industrial facilities and especially for environmental infrastructure systems			√				
3-12	Introduce provisions for dynamic licensing procedures, in case of new licensing requests that are submitted before the process completion for prior requests pertaining to the same activity			√				
3-13	Re-examine the reasoning that dictates special limitations in Attiki area and amend immediately the legal time limitation for obligatory relocation of industrial units situated in Attiki if a change in land use has been implemented			√				
3-14	Promote the utilisation of capabilities deriving from the provision regarding the submission of a letter of			√				

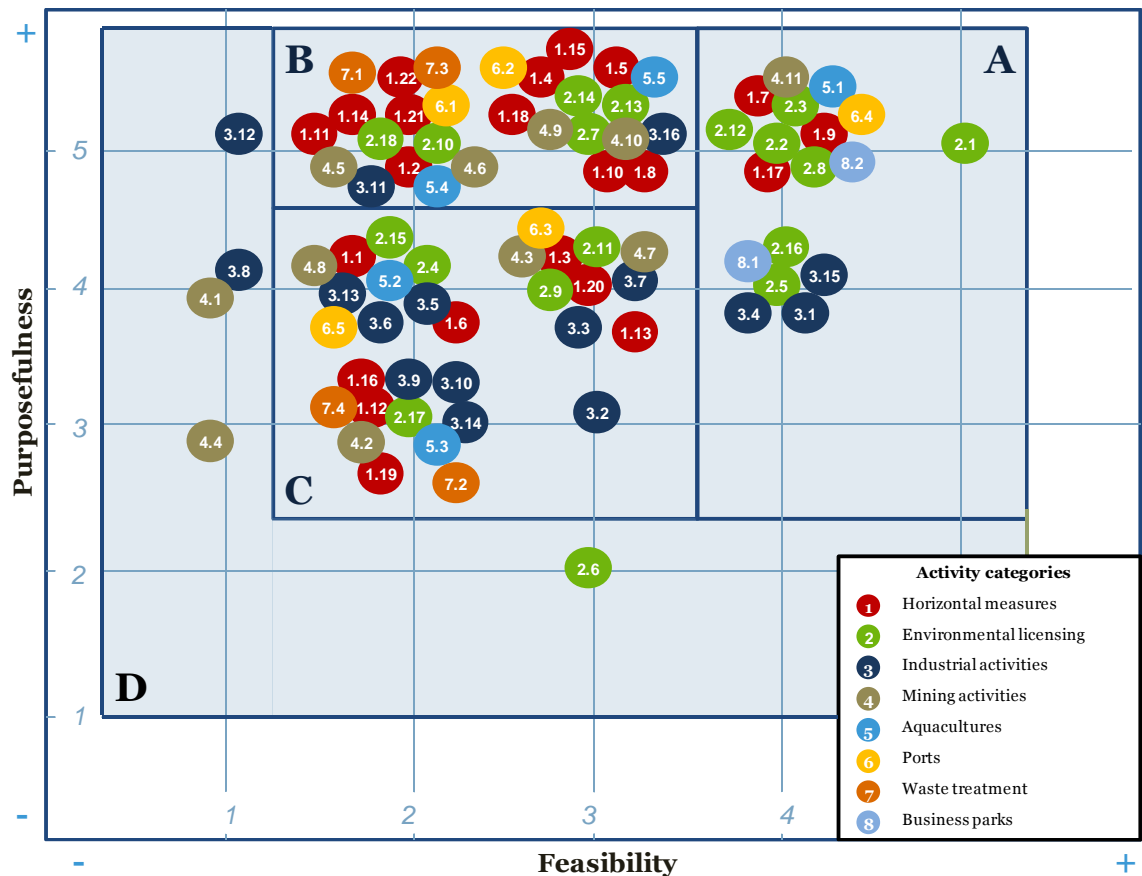
Ref. No	Recommendations	Fields						
		1	2	3	4	5	6	7
	guarantee							
3.15	Provide update on the status of operating and installation licences at the website of the General Secretariat for Industry				√	√		
3.16	Expedite the procedures for the issue of the necessary implementation acts of Law 3982/2011							√
4.1	Define Quarry Areas in the territory		√					
4.2	Re-examine the centralisation-decentralisation mix of licensing authorities, re-define the licensing bodies for mining activities and centralise licensing responsibility to a uniform functional unit per stakeholder.		√					
4.3	Re-define the number of consultation bodies and clarify consultation requirements		√					
4.4	Provide for a clarification mechanism regarding ownership of land in the initial stage of expropriation and revise expropriation compensations			√				
4.5	Create a uniform licensing process by incorporating into one licence the individual licensing procedures of main and auxiliary constructions (such as licensing for electro-mechanical installations and warehouses of explosive material)			√				
4.6	Extend the period of validity of licences and re-examine the need for re-issuing licenses due to the expiration of individual licences that are parts of a facility licence			√				
4.7	Incorporate the environmental licence of explosive materials' warehouses in the overall environmental licensing of facilities (together with the main activity)			√				
4.8	Organise a central help desk for the licensing of mining activities		√	√			√	
4.9	Implement deadlines for all the steps of the licensing process for mining activities							√
4.10	Utilise and implement the strategic licensing framework for mining activities (National Policy for the Exploitation of Mineral Resources)		√					√
4.11	Expedite the completion of the bill regulating the operation of quarries							√
5.1	Standardise content requirements for Establishment and Operation Licence Application Files			√				
5.2	Incorporate licence for sea exploitation in ETAD			√				

Ref. No	Recommendations	Fields						
		1	2	3	4	5	6	7
5.3	Replace the veterinary licence by a declaration of compliance			√				
5.4	Re-examine the possibility to waive the consultation requirements for leasing of water area, to the degree that these authorities have already provided their consultation during ETAD stage			√				
5.5	Define deadlines for the assessment of Establishment and Operation Licence Application Files			√				
6.1	Attune the legal framework regulating the concession of seashore and beach - Law 2971/2001 (article 14)		√	√				√
6.2	Issue a decision to determine the calculation method for the lease paid for the use of seashore and beach, using a mathematical equation		√	√				
6.3	Provide for a speedy process for the legalisation of concession or/and existing port activities			√				√
6.4	The Greek State must speed up the seashore delineation process in a systematic way and the owner of public property must undertake the cost deriving from the delineation of seashore and beach, until the completion of this process			√				
6.5	Standardise the field of on the spot verification check that precedes the issue of licences for marinas and standardise the classification of findings			√				
7.1	Complete the environmental licensing process, prior to the auctioning of Public and Private Partnerships (PPPs)			√				
7.2	Implement the legal provision that requires the compensation of the project's promoter in case that compliance costs arise from the imposition of additional environmental terms			√				
7.3	A legal provision establishing special fire protection specifications regarding cases of environmental infrastructure projects is recommended			√				
7.4	Introduce a legal provision for the utilisation of the products of environmental infrastructure projects							√
8.1	Reduce the co-signing required for the issue of a decision for the development of a Business Park		√					
8.2	Promote the development of business parks and regulate the existing informal spacial concentrations of production units towards their legal designation as organised industrial estates	√						√

5.3. Prioritisation of recommended actions

The following diagram presents the **classification of the recommended measures based on priority**. This prioritisation has resulted from consultation between public administration executives and enterprises and after taking into account the implementation capabilities of stakeholders. In principle, the following classification is considered optimum if combined with the development of an integrated mechanism for the implementation of the reform, as recommended below.

Chart 16. Prioritisation of recommended actions



According to the above chart, the different priority groups are as follows:

Priority group	Group characteristics	Circumstances
A Priority (18 recommended actions)	Comprises high feasibility and high purposefulness actions	$F \geq 4$ and $D \geq 3$
B Priority (29 recommended actions)	Comprises medium feasibility and high purposefulness actions	$2 \leq F \leq 3$ and $D \geq 5$
C Priority (31 recommended actions)	Comprises medium feasibility and medium purposefulness actions	$2 \leq F \leq 3$ and $3 \leq D \leq 4$
D Priority (5 recommended actions)	Comprises low feasibility or/and low purposefulness actions	Other actions: $F=1$, regardless of D and $D \leq 2$, regardless of F
Total: 83 recommended actions		

6. Public consultation

In the context of the project "Creation of an intervention mechanism for identifying, processing and assessing the administrative obstacles faced by enterprises" and aiming to the substantial cooperation of public administration with enterprises for the planning of regulatory measures, which can promote entrepreneurship through the improvement of the licensing system, the Business Environment Observatory of the Hellenic Federation of Enterprises in cooperation with the Consultant, organised a **consultation workshop, with the subject: "Reform of the Licensing System for Projects & Activities"** on Tuesday 18th June 2013.

During this consultation workshop, four thematic workshops were organised in which 154 executives from public administration, enterprises and academic community participated, the conclusions of the study were discussed and specific recommendations were made to the solution of the problems presented.

The goal of the thematic workshops was to discuss on a realistic and sustainable solution that can accelerate and simplify the licensing of projects and activities, through a useful consultation between executives from the public and private sector, academics and technocrats.

The object of the workshops was the consultation on the more specialised findings, conclusions and recommendations of the study concerning the following areas of projects and activities licensing.

- Thematic workshop 1: Environmental licensing,
- Thematic workshop 2: Licensing of industrial activities,
- Thematic workshop 3: Licensing of mining activities,
- Thematic workshop 4: Licensing of port facilities.

The results of the aforementioned consultation were used for the final formulation of the study and, more specifically, of the reform strategy, detailed recommended measures and their prioritisation.

7. Implementation requirements

7.1. Planning of a detailed operational implementation programme

In order to ensure the rapid and systematic implementation of the reform it is necessary to plan a detailed Operational Reform Implementation Programme.

Through this planning the realistic time planning of every action can be ensured, the interdependence between individual actions can be identified, the Implementation Mechanism will be designed, the implementation Study will be prepared and the roles of the stakeholders involved in the implementation will be clarified.

Moreover, this planning will form the basis for monitoring the programme's implementation progress.

7.2. Planning of a programme for the communication of change management

Given the magnitude of the change that is expected to arise from this reform and the time that will be needed for its completion, the achievement of general consensus among stakeholders and executives of public and private sector that will be called to implement this reform and also to successfully adopt the new licensing system in the future is considered very important.

For this purpose, the preparation of a programme for the communication of change management is considered important.

The object of the programme must be the full and timely update of all parties involved in the implementation of the reform.

7.3. Integrated implementation mechanism

The successful and rapid implementation of the recommended measures calls for an integrated central Reform Measurements Implementation Mechanism which will undertake the overall management of the implementation of recommended measurements.

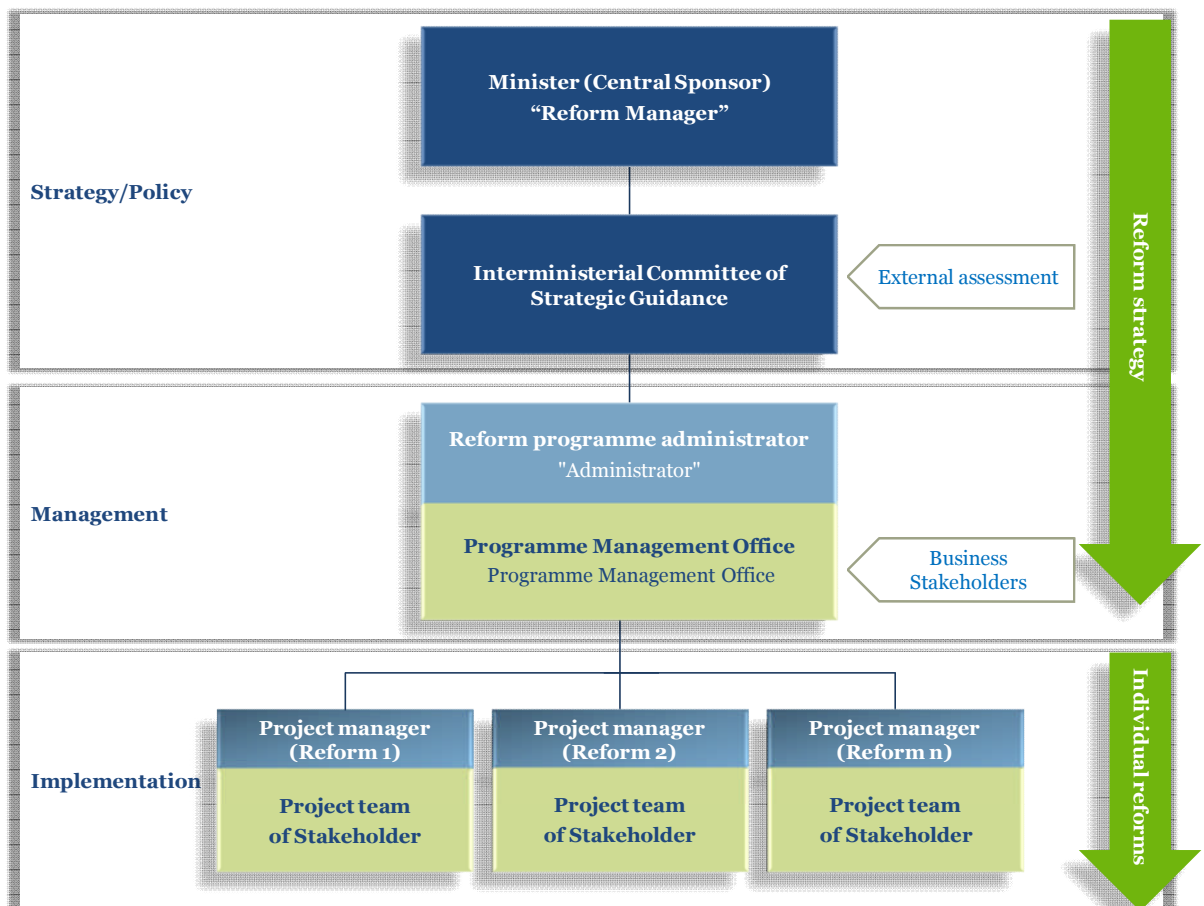
For the effective operation of the Mechanism, the commitment of the Government is essential, as well as the assignment of central management of the Mechanism to the competent Minister (Central Sponsor).

Furthermore, the provision of technical support must be ensured by organising a Programme Management Office.

the recommended measures refer to important systemic changes in all levels of governance

the necessary reform exceeds the limits of a ministry and expands to the general structure and mentality of public administration

Chart 17. Recommended structure of Implementation Mechanism



To document the selections made and optimise implementation monitoring and programme's technical support, the Mechanism can be supported by the Business Environment Observatory, through the studies and research it conducts, as well as the monitoring and measurement mechanisms it has available.

The **important factors of success** of the recommended mechanism's operation include the following:

- **Clear structure** and organisation of the mechanism across all structures of public administration.
- Elaborate **clarification of roles** and responsibilities of the reform implementation mechanism.
- Recruitment of the **appropriate personnel**.
- **Effective communication** between stakeholders.
- Develop an **express process for recruiting** external associates in teams.
- **Realistic scheduling** of individual actions.
- Utilisation of **performance measurement indices** in order to be able to monitor the degree of achievement of every reform goal.

7.4. Implementation monitoring & assessment

It is necessary to ensure that there is constant monitoring of the schedule's status and to assess the implementation progress, regarding the essential achievement of the performance measurement indices, so as to have the opportunity to readjust the programme and take corrective action, if necessary.

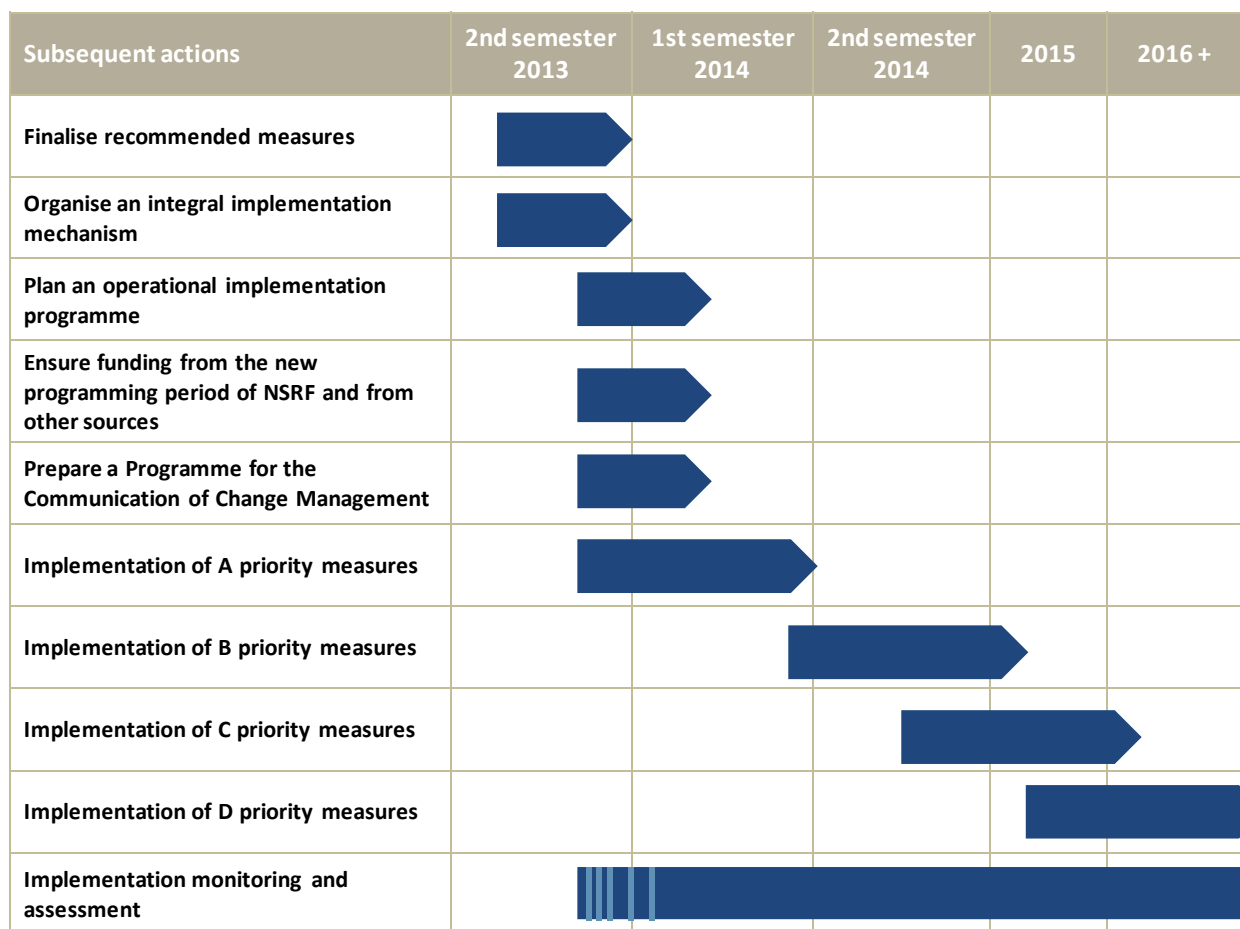
The Business Environment Observatory can support this process as well, through specialised research, thematic studies and provision of technical support to facilitate the establishment of standards, the organisation of consultations on various subjects, where necessary etc. In addition to the above, the Observatory could set up and coordinate user groups at national and local level, which will monitor and evaluate the progress of the reform.

Moreover, it would be recommended that the Implementation Mechanism utilises the tool of external assessment, potentially even by an international organisation, for optimum monitoring and adoption of good practices.

7.5. Basic plan of subsequent actions

The plan of subsequent actions that are necessary for the implementation of recommended measures.

Chart 18. Basic plan of subsequent actions



Copyright 2013
All rights reserved

Save a tree...Please consider the impact on the environment before printing