

# Co-production of public policies (PPUB) in public-private partnerships (PPP) with social and solidarity economy actors using social complementary currencies in Greece

## MedTOWN Project

Co-production of social policies with social and solidarity economy actors to fight poverty, inequality and social exclusion.

**QUESTIONNAIRE PROJECTS PHASES AND LOCAL PARTNERS. MEDTOWN PROJECT. 3rd LOT.**

**DEMOSTRATIVE ACTION. Name: MedTOWN PAGGAIO**

**MUNICIPALITY, REGION AND COUNTRY ACTION: Municipality of Paggaios, Region of Eastern Macedonia and Thrace**

**BRIEF DESCRIPTION OF CONTEXT:**

To be completed by the local partner

**ARRAY TO BE FILLED IN:**

N°	ASPECTS TO BE REPORTED	ACTIONS	OTHER ACTIONS/ DISCLAIMERS	OTHER DISCLAIMERS
1 <sup>1</sup>	<b>Existing applicable regulations governing PPUB and PPPs</b>	The institutionalization of PPPs took place with the passing of the Law 3389/2005, which defines the broader institutional and legal framework for the operation of PPPs in Greece and delimits their scope. The law provides for the establishment of two administrative bodies, the Interministerial Committee for Public-Private Partnerships (DESDIT), with the main responsibilities of policy planning for the management of projects and the provision of services with the participation private entities. And the Special Secretariat for Public and Private	According to Article 2 of Law 3389/2005, activities which according to the Greek Constitution belong directly and exclusively to the State, in particular national defence, policing, the administration of justice and the execution of sentences imposed by the competent courts, cannot be the subject of a Partnership.	This law established the Interministerial Committee for Public-Private Partnerships, which is responsible for the implementation of the projects, as well as the Special Secretariat for Public-Private Partnerships, which has as its main target, among other things, the facilitation and support of Public Bodies in the award

<sup>1</sup> Especially related to Social Solidarity Economy (SSE) through social and complementary currencies.



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	<p>Sector Partnerships (EGSDIT), with the main responsibility of assisting the Commission's work. The law includes the provisions and general principles that should be met during the process of awarding projects or providing services to private individuals, describes the negotiation and award process, and defines the criteria for excluding candidates from private entities. Finally, the contractual framework of the partnerships is outlined and the special arrangements of various legal, tax, etc., subjects are defined.</p> <p>Regarding the use of supplementary social currencies, there is no such legislation.</p>		procedures.
2	<p><b>Purpose of the regulation</b></p> <p>According to the explanatory memorandum of law 3389/2005, it is stated that the exploitation of the experience, know-how, resources and, in general, the capabilities of private entities through collaborations with the Public. It highlights as an appears to be a complementary solution for the effective execution of projects and the provision of quality services to citizens.</p>		
3 <sup>2</sup>	<p><b>Theoretical Consideration-Definition PPUB and PPP</b></p> <p>According to Greek laws, “public contracts” and “works, service and</p>	<p>The Single Independent Public Procurement Authority is responsible for compliance with</p>	<p>As stated previously.</p>

<sup>2</sup> Necessary for making comparative terms of equivalent concepts



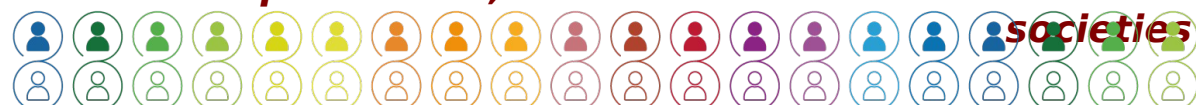
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<b>(According to regulations)</b>	<p>supply contracts” means contracts for pecuniary interest concluded in writing between one or more economic operators and one or more contracting authorities/contracting entities, respectively, and having as their object the execution of works, the supply of goods or the provision of services.</p> <p>Depending on the subject-matter of the contract to be awarded, the different types of public contracts are distinguished into:</p> <ul style="list-style-type: none"> <li>- works contracts,</li> <li>- supply contracts, and</li> <li>- service contracts. The latter are divided into:</li> </ul> <p>contracts for the preparation of studies and the provision of technical and other related scientific services.</p>	<p>the above, with the aim of developing and promoting the national strategy, policy and action in the field of PP, ensuring transparency, efficiency, coherence and harmonization of the procedures for the award and execution of public contracts with national and European law, the continuous improvement of the legal framework for public procurement and the monitoring of compliance with it by public bodies and contracting authorities.</p>	
<p>4 <b>Regulations for citizen participation in the design of public policies</b></p>	<p>There is no mention to citizen participation in the public policies, other than the online debates and options to contribute by opinion, for specific legislation, subject to the decision of the respective Ministry (e.g. by the Central Government in 2020 for the Resilience and Recovery Facility –RRF-; at local level: the Sustainable Urban Mobility Plan (SUMP) of Paggiao and the Electric Vehicles’ Charging plan of Paggiao).</p> <p>Public debates and contributions are</p>		<p>There were certain occasions with short-time period of debate and contribution.</p>

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	managed at <a href="http://www.opengov.gr">www.opengov.gr</a> while local authorities perform occasionally through their web-sites..		
5	<b>Scope of application of PPUB and PPP regulations</b>	Public	As mentioned above, the Greek Constitution prohibits the creation of cartels which have as their object activities which directly and exclusively belong to the Greek State.
6	<b>Stakeholders involved PPUB and PPPs</b>	<p>According to the 2005 Law, the stakeholders involved in PPs are:</p> <ol style="list-style-type: none"> <li>1. public</li> <li>2. local authorities and local associations of municipalities,</li> <li>3. legal persons governed by public law,</li> <li>4. public limited liability companies whose entire share capital belongs to the above categories,</li> <li>5. legal entities of the private sector.</li> <li>6. SSEs</li> </ol> <p>Public and private entities (or SSEs) co-sign the PPs.</p> <p>The tendering procedures for the award and implementation of PPs are carried out through a special, competitive procedure, which is a mean of transparency and direct monitoring. Through process monitoring, the following are achieved:</p> <ol style="list-style-type: none"> <li>1. The biotic description of the project that is the subject of the Partnership and its technical characteristics.</li> <li>2. Indicative budget.</li> <li>3. <b>Occasionally lifetime cycle cost</b></li> <li>4. Operating and maintenance costs.</li> <li>5. Timetable for implementation.</li> <li>6. Proposed form of partnership.</li> <li>7. A value for money test that will justify the choice of the partnership in relation to the implementation of the project with public funding.</li> </ol> <p>Other issues that may significantly affect the</p>	

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		implementation of the project, such as, legal, environmental, etc.	
7 <b>Existence of Specific Legal Figures PPUB and PPP Sector?</b>	There is no available data on PPUB.		
8 <b>Main Figures for PPUB and PPP creation</b>	-		
9 <b>Administration-legislative body responsible PPUB and PPPs</b>	The Greek Parliament and the Greek Government		
10 <b>Administration-Competent executive body PPUB and PPPs</b>	The Interministerial Committee for Public-Private Partnerships along with the Single Independent Public Procurement Authority.	The Interministerial Committee for Public-Private Partnerships defines the national policy and strategy while the Single Independent Public Procurement Author advises on the legality of any provision of draft law or regulatory act concerning public procurement and participates in the relevant legislative committees.	
11 <b>Administration-Competent supervisory body PPUB and PPPs</b>	The Interministerial Committee for Public-Private Partnerships along with the Single Independent Public Procurement Authority.	The Interministerial Committee for Public-Private Partnerships defines the national policy and strategy while the Single Independent Public Procurement Author advises on the legality of any provision of draft law or regulatory act concerning public procurement and participates in the relevant legislative committees.	
12 <b>Certifications/Registration of PPUB and PPP Actors</b>	Public Bodies that intend to proceed with a PPP in accordance with Law 3389/2005,	This proposal must include: <ul style="list-style-type: none"> <li>Detailed description of the project that</li> </ul>	

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	<p>must submit a relevant proposal to the Special Secretariat for PPPs, which will be accompanied by the necessary data that will substantiate the feasibility of its implementation.</p>	<p>is the subject of the Partnership and its technical characteristics.</p> <ul style="list-style-type: none"> <li>• Indicative budget.</li> <li>• Operating and maintenance costs.</li> <li>• Timetable for implementation.</li> <li>• Proposed form of partnership.</li> <li>• A value for money test that will justify the choice of the partnership in relation to the implementation of the project with public funding.</li> <li>• Other issues that may significantly affect the implementation of the project, such as, legal, environmental, etc.</li> </ul>	
<p>13 <b>Measures promoting or encouraging PPUB and PPPs</b></p>	<ol style="list-style-type: none"> <li>1. Timely start of the payment of payments or fees paid by individuals.</li> <li>2. Avoidance of cost increases, which are usually borne by the individual.</li> <li>3. Possibility of risk-sharing also in the public sector and not only in private individuals.</li> <li>4. Very carefully designed methodology of payback mode in PPPs, incorporating all those parameters that ensure the benefit for the public.</li> </ol> <p>Payment of additional funding, if needed.</p>	<p>Everything is established and granted through the aforementioned Greek laws and the European legislation.</p>	
<p>14 <b>Other legislation related to</b></p>	<p>Ministerial Decisions have been issued</p>	<p>The issuance of these Decisions by the Greek</p>	

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	<p>from time to time concerning PPP projects that are being implemented and PPs that have been signed. These Decisions refer to regulatory issues of their implementation, such as the amendment of their general terms or the establishment of an Evaluation Committee of PPPs and PPs. Also, decisions of Greek Courts and the Hellenic Court of Audit (ΕΛΕΓΚΤΙΚΟ ΣΥΝΕΔΡΙΟ) have been issued, which concern individual issues, and serve as law precedents.</p>	<p>Ministries and Courts is part of the framework of maintaining the transparency of the procedures and the general and public interest. Therefore, they aim at the implementation of procedures and projects that serve the Greek society.</p>	
15	<p><b>Possibility of creating new PPUB and PPP regulations</b></p>	<p>Case-law of the courts has ratified many judgments which can be a harbinger of new legislation.</p>	
16	<p><b>Possibility to amend existing legislation PPUB and PPPs</b></p>	<p>As mentioned previously.</p>	
17	<p><b>Possibility Regulatory implementation (new or amended) PPUB and PPPs</b></p>	<p>-</p>	
18	<p><b>Problem Identification/implementation of PPUB and PPP regulations</b></p>	<p>Specific problems and gaps left by the current legislation in Greece, concerned the harmonization with European directives and European legislation. In this respect, Laws 2212/2016 and 4413/2016 were enacted, which established a single legislative framework</p>	<p>The original Law, 3389/2005, acts as a framework law and does not exhaustively regulate all issues, nor does it implements unified solutions to different projects and services. On the contrary, encourages the elaboration of ad hoc solutions that are adapted to the specific needs of each project</p>

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	<p>on procedures for the award of works and services concessions by contracting authorities and contracting entities, but also brought into line with Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014 on the award of concession contracts.</p>	<p>given its uniqueness and specificity.</p>	
<p>19 <b>PPUB and PPP regulations and other applicable to the Demonstration Action (Concrete Project)</b></p>	<p>- Not applicable</p>	<p>-</p>	
<p>20 <b>Other matters and policy areas linked to PPUB and PPPs</b></p>	<p>-</p>	<p>-</p>	
<p>21 <b>Examples of public procurement of PPUB co-production with SSE actors</b></p>	<p>-Implementation of accompanying measures for the end-beneficiaries of FEAD (TEBA) - Fund for European Aid to the Most Deprived—(and Minimum Wage (KEA/EEE) end-beneficiaries) by the Municipality of Zacharo (Regional Unit of Ilia), addressed to adolescents and families for organising and creating team labs with the objective to provide psycho-socio support, encouraging and social inclusion. Period Dec’20 – Jun’21 in collaboration with an SSE in the area. - Collaboration Contract between the Municipality of Kavala and KOISPE Kavalas for the implementation of actions</p>	<p>-</p>	

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	of FEAD in Kavala with staff provided by KOISPE Kavalas (Sep'22 – Dec'22).		
22 <b>Other issues to highlight</b>	PPPs largely transfer the investment risk, from the public to the private sector, as the private sector is called upon to ensure the availability of funds for the completion of the project, while in case this is not possible, then the intervention of the state is possible, in exchange for the transfer of part of the ownership of the project. This fact is linked to the impact of PPPs on the credibility of the state apparatus, and the financial capabilities of the state to intervene in case of facing challenges in the search for funds and funding from the private individual.		

### CHALLENGES & RECOMMENDATIONS:

#### Challenges:

One of the most characteristic disadvantages of PPPs is the case of their application in critical social sectors and infrastructures, such as the health sector, as in this case the reactions of the social actors involved are increasing, while at the same time the prioritization of profitability on the part of the individual and the possible transformation of healthcare from a social good into a marketable product, creates negative impressions on the recipients of the services, resulting in a decrease in social trust in the service in question.

The participation of the private sector in the provision of social services can cause an increase in the cost of these services for the public sector, since in the case of the private sector not only the cost of providing the service is calculated, but also the profit. At the same time, when participating in PPPs, the private body is strengthened in negotiations vis-à-vis the state, especially during the implementation of large-scale projects that are necessary for social and economic activity. As



a result, the cost of a PPP can be significantly increased compared to a simple public contract, as the timeframe for the implementation of the PPP may amount to the entire duration of the life cycle of the project, with the result that during its transfer to the public sector, the repayment of the agreed amount is required, and the investment of further funds for the renewal of the project.

In a PPP, as the private entity invests (when such funding is (usually) not available by the public) and gains from the proceeds of the investment, it is crucial to carefully calculate the payback mode and methodology. Such include investments in infrastructure, energy production and storing and energy saving projects, etc.

### **MEASURES TO BE IMPLEMENTED:**

Mitigation of the economic impact of delays and renegotiations on PPPs' costs borne by the public partner.

The institutional and legal framework to be fully adapted to the needs of EU co-funded PPP projects.

### **OTHER INTERESTING SUGGESTIONS/NOTES:**

The main benefits from PPPs for the public sector are:

- The possibility of implementing projects with a small financial contribution.
- The ability to speed up the implementation of the project.
- Potential tax benefits.
- Benefits that arise at the level of the economy from the implementation of large-scale projects.
- Social benefits of running the projects.
- Low investment risk factor.

One main benefit of PPUB and cooperation with SSEs is that problems and issues at local level, with very narrow margin for profit for private entities, can be resolved or managed through such a collaboration. Furthermore, PPUB contributes to participatory procedures of all actors and stakeholders, in the design of specific public policies.



**IDENTIFIED CONFLICTING ISSUES (if any):**

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**EXAMPLES OF ACTIONS DEVELOPED IN THE FIELD OF SSE IN THE COUNTRY, REFERENCES AND HOW THEY HAVE BEEN DEVELOPED (if any):**

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