

PORT OF BEIRUT: THE NEED TO REFORM GOVERNANCE

As part of the project to rebuild the Port of Beirut, the Lebanese Government intends to consider a restructuring of the port governance in order to reach international standards. The port is currently managed by an interim committee, “Management and Operation of the Port of Beirut (GEPB)”, which does not have a clearly defined status.

The Port of Beirut is currently managed by a company, “GEPB”. It is a concessionaire of the port with relative autonomy with respect to the Lebanese authorities, as GEPB is more specifically responsible for the major port investments and entrusts the management of operations to private operators, in particular for the container terminal.

To address this situation and in view of the issues related to recent events, a comprehensive reform of the structure that manages the Port of Beirut is now being considered to ensure it is managed in accordance with international standards, like the other major ports around the world.

It is for this reason that France’s technical assistance aims to provide elements that present major international ports, as part of its support to the Lebanese Government’s consideration of how to develop port governance.

In this respect, the ports studied have been selected on the basis of various criteria (see the box overleaf).

It should be noted that all these ports more or less correspond to the Landlord Port or Developer Port model which is described in more detail below. This is currently the prevailing model in the major international ports.

CONTEXT

As part of French aid in response to the explosion in the Port of Beirut in Lebanon on 4 August 2020, France took swift action and put together a team of experts. The work focuses on identifying the reconstruction needs for the port and proposing solutions to improve its operations: governance, customs, digitalisation, security, development, etc. The operator Expertise France is handling the coordination.



Expertise France has implemented a bottom-up approach at the most local level to support the reform of the port’s governance structure.

“Expertise France has implemented a bottom-up approach”



With Nico Vertongen and Pierre Sultan

Nico Vertongen is working for Expertise France on the WECAPS project concerning port governance and security in West and Central Africa. Pierre Sultan, a lawyer at the Paris Bar, is an expert in Public/Private Partnerships and institutional reforms. They have both been mobilised by Expertise France to assist the Port of Beirut with its objective of carrying out a comprehensive reform of its governance structure, so that it can reach the relevant international standards. They have used a bottom-up approach for this purpose, involving the entire port community.

What support has France provided for the governance of the POB?

Expertise France has implemented a bottom-up approach at the most local level. We have increased the number

of meetings in order to develop a dialogue with the governing bodies of GEPB, and more generally with all the public and private stakeholders, in order to understand the situation and their expectations in terms of governance.

These meetings with the entire port community will allow us to propose substance, concrete elements, to assist decision-making on the choice of a new form of governance for the port.

What does this governance reform aim to achieve?

France's support should enable a comprehensive reform of the governance structure of the Port of Beirut, so that it can reach international standards for governance.

This approach aims to tailor Expertise France's support to the local situation. We have not sought to duplicate existing models, but started with the need to develop a solution with the local authorities. To do so, Expertise France proposed to establish a benchmark in order to look at which ports around the Mediterranean could feed into the debate and give arguments to the decision-makers.

The Port of Beirut is the country's main source of wealth. This type of reform is therefore necessary given the extremely competitive environment in the sub-region.

COMPARISON OF 5 MAJOR PORTS BASED ON 4 CRITERIA



4 COMPARISON CRITERIA

- ▶ **Criteria of governance models to ensure the models are heterogeneous:** public port/private port; developer port (landlord port/service port);
- ▶ **Functional criteria:** main activity comparable to the Port of Beirut;
- ▶ **Geographical criteria:** ports mainly located in the Mediterranean Basin;
- ▶ **Competition criteria:** ports that directly compete with the PoB.



5 PORTS STUDIED

- ▶ **Grand Port Maritime de Marseille (France) ;**
- ▶ **Tanger Med Port (Morocco);**
- ▶ **Malta Freeport ;**
- ▶ **Mersin International Port (Turkey) ;**
- ▶ **Port of Piraeus (Greece).**

ABOUT EXPERTISE FRANCE

Expertise France is a public agency and the inter-ministerial operator for international technical cooperation. It will soon be joining Agence Française de Développement Group (AFD Group). The second largest agency in Europe, it designs and implements projects that sustainably strengthen public policies in developing and emerging countries. Governance, security, climate, health, education... It operates in key areas of development and contributes to the achievement of the Sustainable Development Goals (SDGs) alongside its partners. For a world in common.