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TFGR - TASK FORCE FOR GREECE

Task Force for Greece

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Quarterly report of the Task Force for Greece December 2012:

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1. GENERAL OVERVIEW

The TFGR organises the delivery of technical assistance to support a wide range of structural reforms to be implemented by the Greek government, primarily for reforms agreed in the context of the economic adjustment programme. The technical assistance provided by the TFGR is a resource available to the Greek authorities, as they seek to strengthen their public administration, modernise their regulatory system and lay the foundations for a new growth model based on enterprise and investment (see annex1 for presentation of working methods of the TFGR).

1.1. The organisation and delivery of technical assistance:

The TFGR coordinates an extensive portfolio of over 40 technical assistance projects in 10 different policy domains. These include (1) acceleration of cohesion policy projects; (2) access to finance/financial sector; (3) reform of the public administration; (4) budget and taxation; (5) anti-corruption; (6) business environment; (7) public health; (8) reform of the judicial system; (9) migration, asylum and borders; (10) labour market and social security. In addition, discussions are on-going about the provision of technical assistance in some other areas (development of regulatory framework for transport infrastructures to facilitate privatisation, tourism, completion of the land registry).

The starting point for most of the TFGR coordinated technical assistance is the reform undertakings made by the Greek government in the context of the economic adjustment programme. To be fully effective, technical assistance must be properly integrated in ambitious and coherent reform plans, which are driven by the Greek authorities. The early months of the TFGR's existence were devoted to discussion of reform blue-prints and associated technical assistance with the Greek authorities. Since the last report (March 2012), the technical assistance process has moved to a more active and operational footing, involving the delivery of concrete support for reform processes.

The scale of the technical assistance programme is growing – both in terms of number of projects supported and the resources involved. 18 EU Member States and Norway have made national officials or experts available to participate in technical assistance actions. In the period from January to end-November, the European Commission/TFGR has arranged for a total of 994 days of expert assistance on –site in Greece. To this number must be added experts financed separately by Member States, experts from international organisations such as IMF, UNECE and ILO as well as technical assistance provided by TFGR staff or contracted experts on projects.

Budget and finance was the policy field which accounted for the most expert days (383). It was followed by administrative reform (309) and business environment (116.5).

In addition to technical assistance for operational projects, the TFGR also supports the Greek authorities in a number of other ways. For example, TFGR staff contribute to policy dialogue in some areas (e.g. health), and facilitate interaction between Commission services and Greek Ministries on specific cases.

While technical assistance process is gathering momentum, much more could be done if eligible resources from relevant Structural Fund programmes could be more quickly and efficiently tapped. In principle, sufficient Structural Fund resources are available to the Greek government to finance technical assistance for structural reforms and

administrative capacity building. Given the pressing need to advance with reforms supported by technical assistance, arrangements to allow these resources to be used must be put in place urgently. These arrangements must however be compatible with requirements governing award of public contracts or grants, and sound financial management.

1.2. Progress of reforms supported by technical assistance:

The momentum of the technical assistance process was temporarily reduced in the period from March to June when two rounds of general elections were held. Since its appointment, the new government has intensified its cooperation with the TFGR in a number of areas:

1. **Budget and Taxation:** the new Government has clearly expressed its commitment to overall reform of the tax system, both in terms of tax administration and in terms of tax policy. Work is on-going to strengthen budget management capacity, both within General Accounting Office and within line ministries. In the area of tax administration, training and / or organizational changes are underway in some key areas (audit of high wealth individuals and of large corporate taxpayers, debt collection). These changes have not yet been reflected in results in terms of improved tax inspection and collection. The new Ministerial team has modified some inefficient features of the Greek tax system (e.g., Code of Books and Records) and is steering the tax administration towards more functional autonomy. In the area of Anti-Money Laundering (AML), there is already good progress with a fully operating coordination mechanism on the ground and training programs targeted at the staff of relevant institutions. Finally, an action plan for strengthening the Hellenic Court of Audit was launched in October.
2. **Anti-corruption:** Greek agencies responsible for preventing, detecting and prosecuting corruption have agreed an action plan. This paves the way for quick launch of a comprehensive national strategy against corruption, headed by a national coordinator with a clear mandate and enjoying strong political backing. A road map describing concrete operational measures has been signed by Greek ministers in early October.
3. **Reform of central public administration:** Significant progress has been achieved in the steering and coordination of this far-reaching reform. A high level transformation steering group, under the Prime Minister's authority has been created to supervise reform of the central administration. The principles of an inter-ministerial coordination structure, which aims to enhance the planning, monitoring and implementation of all inter-ministerial topics, as well as arbitrate in the event of critical decisions, were also agreed upon by the Prime Minister's office. Final steps should now be taken to commence implementation in early 2013, including the submission of the relevant enabling laws to Parliament. The assessment of structures of key government Ministries, assisted by coaches from Member States, is now starting. Preparatory work for the assessment of staff competences is also getting underway.
4. **Business Environment:** The new government has identified a number of priority reforms which it intends to implement in support of economic activity and to scale back disproportionate regulation. This includes, inter alia, reforms to promote exports, remove regulatory barriers to competition, streamline investment licensing

and enhance the functioning of markets for public contracts. Ministerial coordinators have been appointed to oversee these projects. In early November, the Greek authorities, drawing on extensive technical assistance, have adopted an ambitious road-map to simplify exports and customs formalities. Attention must turn swiftly to translating this impressive road-map into concrete action. In early December, a team of Dutch experts supported by the TFGR submitted a report containing recommendations to enhance the impact of Greek export promotion activities. The TFGR has provided extensive input to the GR authorities in preparing important legislative reforms for modernising the code of books and records (tax record-keeping) and the liberalisation of regulated professions. The OECD and the Greek authorities have launched a detailed health-check of the regulatory framework in key economic sectors. This will pave the way for action to remove competition barriers, and reduce administrative burdens for business. Finally, technical assistance has also been provided to assist the Greek authorities in setting up centralised procurement bodies and running framework agreements to achieve better results and savings in public procurement.

5. **Cohesion Policy:** The European Commission supports the Greek authorities, in particular the MOD, as they attempt to speed up the implementation of 181 priority Structural Fund projects. The work of the Greek authorities, supported by the TFGR, seeks to address project specific problems and remove recurrent administrative impediments through simplification of procedures. Efforts by the TFGR have focussed in particular on the motorway concessions and waste management where, for the latter, the TFGR is preparing a response to a request for technical assistance. In several projects involving support for social policy and labour markets, external support has also been mobilized. The recent appointment of designated coordinators at the Ministry of Development should help to sustain improvements in this area.
6. **Financial institutions:** The proposal for the creation of an Institution for Growth, which could finance the Greek economy, was presented in October 2012. The TFGR participated actively in the preparatory committee. Greek SMEs received loans from the JEREMIE scheme. Other financial engineering instruments should be improved.
7. **Health:** The new government has confirmed its commitment to reform by establishing a Health Reform Steering Committee (September 2012) to supervise coordinate and monitor reform in the management of the national organisation for healthcare (EOPYY), pharmaceutical policy, hospital management, primary health care and health tourism. Technical assistance will contribute to frame the rationalisation of expenditure within a consistent strategy aimed at ensuring sustainability and fairness of the healthcare system. Greece has signed a Memorandum of Understanding with Germany (February 2012) to structure this technical assistance.
8. **Immigration:** During the summer, the Greek authorities worked on identifying their needs in the fields of asylum and migration policy on the basis of the Action Plan on Migration and asylum agreed in 2010. Member States are now in a position to present precise offers of support. Technical assistance for SOLID funds management gained momentum with the full time secondment of two EASO experts to assist the (SOLID) managing authority for the period October 2012-March 2013.

2. ACCELERATION OF COHESION POLICY PROJECTS

Main developments:

The absorption of cohesion policy funds has continued to progress since the last report. This has happened in spite of liquidity constraints and a politically complex period. Greece continues to absorb a higher proportion of cohesion policy funds, with the exception of ESF, than the average recipient Member State. It is largely supported in this effort by the further increase in the EU co-financing rate introduced at the end of 2011.

Payment claims of approximately 1234m€ (all cohesion policy Funds included) were declared to the Commission during the first 11 months of 2012 against an MoU target of 1231m€ for the first half of 2012 and 3730m€ for the whole year (achievement of 33% of the latter). In particular, for ERDF and Cohesion Fund, the Greeks have declared payment claims for about 889m€ against the annual target of 2850m€ (31.1%); as regards the ESF, the Greeks have declared payment claims for about 345m€ against the annual target of 880m€ (39.2%). Nevertheless for a few operational programmes (due to their specific low absorption rate), the risk exists of Greece losing significant EU funds at the end of 2012 because of the N+2/3 rule.

Particular attention and monitoring continues to be focused on projects included in the list of priority projects, published in November 2011¹. As a result some blockages have been identified and technical assistance has been requested. The Management Organisation Unit for Development Programmes (MOU) S.A is mainly supporting the priority projects under regional programmes. The TFGR is focusing on other critical projects and is now equipped to lend more support.

There are renewed efforts to remove the technical and financial obstacles that have blocked the highway concessions (largest and economically most important amongst the priority projects) for more than a year. The announced objective is to present a reset to the approval of the Greek Parliament by December 2012. This will need to be compatible with EU law.

Looking ahead, by the end of the year, expected developments are that:

- The Greek government has adopted the necessary decisions to allow the highway concessions projects to restart, in keeping with commitments made earlier in the year;
- Work will have been completed on simplification of procedures for the current programming period, including quicker tendering processes, and a start made on developing new procedures for the 2014-2020 period.
- The Greek chapter of next cohesion funding package needs to be carefully framed as it will be the main public investment instrument for the years ahead.

¹ See http://ec.europa.eu/regional_policy/newsroom/detail.cfm?id=150

In the context of severe and protracted recession and financial crises in Greece, cohesion policy funds become a rare and most valuable source for investment. The Government has continued to implement the programmes available in spite of severe liquidity constraints in the banking system negatively affecting project implementation and a political agenda marked by two elections. The absorption of cohesion policy funds has continued to progress in the first eleven months of 2012, also benefitting from the temporary 10% top-up on payments from EU contributions on the Greek operational programmes (up to 95%).

By the end of November 2012, Greece has absorbed (in terms of payments executed by the Commission) 46.25% of the 20.4bn€ cohesion policy funds available for the 2007-2013 period (+11.3% compared to December 2011, largely due to the top-up). This exceeds the EU average of 44.97%. In the case of European Regional Development Fund the Greek performance is 50.91% compared to an average of 46.43%; for the Cohesion Fund, the Greek performance is 42.1% which exceeds the EU 15 average of 39.5%.² In the case of the European Social Fund (ESF), 36.8% of the Greek allocation was absorbed compared with an EU average of 46.14%. Despite the above aggregate picture, due to the N+2/3 rule, the Greek authorities face the risk of de-commitment of a significant amount of EU funds at the end of 2012 for a few operational programmes that show lower absorption

The next programming period brings a unique opportunity to better target the funds in support of economic recovery and employment. The preparation has already started. New approaches will be needed to maximise the development value of the cohesion policy package.

2.1. Clearing the backlog from the previous programming period

Concerning the 2000-2006 programming period (all funds), 1205 projects were still uncompleted at the "closure" of the operational programmes. This entailed the risk of recovery of a maximum of some 3.3bn€ of payments for all projects. The total amount of national financing needed to complete these unfinished projects was estimated at approximately 262m€

As regards unfinished projects due to be completed by end of September 2012, 60 projects amounting to 65 million € (EU contribution) remained outstanding beyond this deadline. Following a request submitted by the Greek authorities, the Commission has granted an extension to the completion deadline up to end-March 2013.

As regards unfinished projects scheduled for completion by 31 March 2013, there were 400 outstanding projects which represent altogether an amount at risk of recovery of around 1.5bn€ at the end of November.

In relation to the Cohesion Fund, at the end of November 2012, all closure documents had been sent within the deadlines by the Greek authorities. For 15 projects the deadline for submission of closure documentation by the Greek authorities is beyond 1 January 2013.

² For the ERDF and the Cohesion Fund, figures and percentages include advance payments by the Commission to Member States. Cohesion Fund interventions only concern 15 Member States (BUL, CZE, EST, GRE, CYP, LAT, LIT, HUN, MLT, POL, POR, ROM, SLV, SVK, SPA).

2.2. Focus on high impact projects

The government elected in June 2012 has created a new Ministry of Development, Competitiveness, Infrastructure, Transport and Networks (MDCITN). The expanded ministry is now directly responsible for the bulk of the National Strategic Reference Framework (NSRF). It has placed amongst its priorities the acceleration of NSRF absorption, including through the simplification of procedures, revision of existing programmes and close supervision of priority projects. The MDCITN has been assigned responsibilities for each of these tasks.

2.2.1. Highway concessions and risk sharing instrument

Restarting the four Highway concessions has been announced as a priority of the Government. The Prime Minister appointed a National Negotiator with a mandate to present a fair deal for all parties which ensures the public interest and enables the immediate restart of construction works as soon as negotiations are completed. Negotiations started with all parties in September 2012 after preliminary discussions in August.

Current financial and economic conditions are different than those prevailing when the concession contracts were signed. Updated proposals reflecting the new conditions should be presented to the Greek parliament before the end of the year. The Commission is ready to examine the solutions proposed. The TFGR has made a member in Greece directly available to assist in this respect and appointed another to facilitate coordination between the Greek government and various Commission services.

Moreover, a number of measures that should facilitate the implementation of these projects have been taken by the European Commission. These include the increase in EU co-financing rates already mentioned and the creation of a risk sharing instrument (RSI) to support the mobilization of lending by the European Investment Bank (EIB), through a guarantee from the Structural funds, in order to complement public financing supported under cohesion policy.

2.2.2. Monitoring of priority projects

A powerful monitoring tool has been established by the Greek authorities. This now needs to be exploited systematically. Out of the 181 projects, 7 projects have been completed (total co-financed budget 142m€), 104 are implemented according to schedule (total co-financed budget 3738m€), 64 projects require an acceleration (total co-financed budget 7247m€), 5 projects are at risk (total co-financed budget 389m€), and 1 project was cancelled (co-financed budget 2m€).

The Greek authorities produce a quarterly monitoring report. The Commission services also participate closely in this monitoring process, with particular focus on delayed projects.

The TFGR has been offering support in critical projects and some technical assistance requests have already been formulated. It is expected that further requests will be forthcoming. The TFGR team in Athens has been recently strengthened to be able to better respond to such needs (either directly or by mobilizing external support) in all critical sectors (transport, waste management, digital society, social economy and employment). The Management Organization Unit for Development Programmes (MOU, SA) is supporting priority projects mainly in the regions.

2.2.3. *Solid waste management*

Waste management is an area where Greece faces infringement procedures related to non-compliance with EU environmental legislation. Tenders are on-going in the critical Attica region (both for solid waste and waste water) and other areas. The Greek authorities have requested support to the TFGR in assisting the competitive dialogue for PPPs for solid waste facilities.

2.2.4. *Streamlining procedures*

The Greek authorities have a concrete plan to complete quickly the simplification of management and control systems operated by the managing authorities responsible for EU funded operational programmes; TFGR provides support in specific areas. The key improvements in the pipeline are to shorten the timescale for making payments and to have more proportionate ex ante checks. TFGR has sent a discussion paper for a major overhaul of procedures for the 2014-2020 programming period, and discussions on this have started with the Greek authorities.

3. ACCESS TO FINANCE / FINANCIAL SECTOR

Main developments:

The proposal for the creation of an Institution for Growth, which could facilitate the financing of the Greek economy, was presented in October 2012. The TFGR participated actively in the preparatory committee.

Greek SMEs have started to benefit from funding through the JEREMIE scheme but other financial engineering instruments have to be improved.

3.1. Banking and other financial institutions

The Greek financial sector is currently marked by two major trends. On the one hand a process of consolidation and concentration has started to manifest itself. On the other hand, the successful completion of the first phase of the recapitalisation process of the four largest domestic lenders has improved the operational environment for Greek banks and stabilized the medium-term outlook for the sector. The focus now turns towards the conclusion of the second phase of the recapitalisation and resolution process.

The prolonged contraction of the Greek economy and dramatically rising unemployment levels are leaving their marks on the balance sheets of domestic lenders. Challenges such as the gradual return of deposits (private households and corporates) and addressing the rising volume of NPLs in the real economy are paramount, while lending volumes to the private sector remain stagnant.

Against this background the work of the TFGR has been focussing in organising technical assistance on concrete technical questions in the field of bank resolution. A technical workshop, attended by the Bank of Greece and, partly by the Hellenic Financial Stability Fund and the Deposit Guarantee Scheme (TEKE), was organised on 25th April, gathering experiences from Ireland, Portugal the United Kingdom and the US as well as

input from the technical assistance department of the IMF. Moreover, bearing in mind that the Greek economy is predominantly SME based, the potential to develop microcredit in Greece, including through non-bank financial institutions, is being explored with the Greek authorities and notably with the Bank of Greece. Technical assistance is being organised to identify preparatory actions that could be taken.

3.2. Insurance

Since the beginning of 2012, TFGR has, at the request of the Bank of Greece, been organizing technical assistance to support the reorganisation of the two Insurance Guarantee Funds. This assistance has also explored solutions in terms of insurance resolution. Following a series of contacts and preparatory actions, notably with the German supervisory authority (Bafin), the German Ministry of Finance and the European Insurance and Occupational Pensions Authority (EIOPA) a workshop, with contributions from Germany, the United Kingdom, Portugal and EIOPA, was organised in the Bank of Greece on 24th May 2012. Since then, TFGR is closely following and supporting developments (notably the preparation of the relevant legislation) with the Bank of Greece.

3.3. Access to finance

The immediate challenge is to ensure sustainable lending for the real economy and reduce the adverse effects of the credit crunch that currently limits the possibilities for the Greek economy to come out of the crisis.

While there is major ongoing work related to the recapitalisation and restructuring of the Greek banking system, this should be combined with efforts to improve the credit situation of Greek businesses and notably for SMEs. TFGR has been advising the Greek authorities on options for attaching effective behavioural commitments and targets for lending to recapitalisation. Examples of other Member States that have followed this approach in the past have been provided in this respect (France, Italy, UK, Germany and Portugal).

With respect to the various financial instruments available, promotional schemes for SMEs have been developed³. Most of these involve the support of the European Regional Development Fund (ERDF). The table below provides an overview of existing initiatives supported by the EU to increase bank lending to the business sector, notably the Greek SMEs. At the end of September 2012 they amounted to 1.26bn€

³ There are other national schemes not supported by the EU but they are not listed below.

Table: Existing instruments to support bank lending to business sector:

| In million Euros | Total amount available for SMEs (m€) | Public expenditure including EU Support (m€) | Banks (m€) | Disbursements to SMEs (30/09/12) (m€) |
|-------------------------------|--------------------------------------|--|------------|---------------------------------------|
| JEREMIE (EIF) | 360 | 180 | 180 | 49 |
| Entrepreneurship Fund (ETEAN) | 900 ⁴ | 300 | 600 | 0 |
| Total⁵ | 1.260 | 480 | 780 | 49 |

Note: JEREMIE and the Entrepreneurship Fund are funded risk sharing instruments.

The absorption of JEREMIE funds by SMEs has increased substantially since March 2012, especially in Attica and Macedonia. This is due to the fact that the financing of working capital has been allowed and contracts have been modified accordingly⁶. This instrument which provides liquidity as well as risk-sharing demonstrates the possibility to create a functioning support instrument under difficult circumstances. However, the other existing schemes and in particular the Entrepreneurship Fund, have not managed to reach their intended recipients, in particular because the product design has not been adapted by ETEAN (for example to allow for more working capital loans or to expand eligibility criteria). The overall total absorption of available funds is therefore very limited at 49m€ out of a possible 1.26bn€ at the end of September 2012.

To increase the liquidity available to Greek Banks, the TFGR and other European Commission services have supported the creation of a new financial engineering instrument to guarantee EIB lending in favour of SMEs. An agreement was signed to this effect by the Greek authorities and the EIB on March 21, 2012 with technical assistance provided directly by the TFGR for its negotiation. This instrument consists of a Structural funds guarantee (up to 500m€) to support additional EIB global loans to banks (up to 1bn). This will allow banks to, in turn, lend to SMEs, with particular priority given to those SMEs already supported by EU Structural funds. Before the end of January 2013, the EIB has committed to lending 600m€ for SMEs: 160m€ under this new instrument and 440m€ of previously approved loans with a guarantee of the Greek State. For the moment, 300m€ have been signed and disbursements are expected to take place soon.

Finally, a guarantee instrument endowed with 150m€ has been created very recently and is to be implemented by ETEAN. This aims to reduce the risk of lending to SMEs for Greek banks by providing them with a guarantee. By reducing the risk of lending, this

⁴ The Greek authorities announced that the co-financing rate will be reduced to 50 % (from 66%). In this case there will be available 600 m€ in total with 300 m€ from Banks and 300 m€ EU support.

⁵ The Progress facility has been withdrawn in May 2012.

⁶ Following the December 2011 modification of the EU regulatory provisions applicable in this respect.

instrument will complement EIB global loans (cf. above) which are aimed at supporting liquidity. Its impact on bank lending will have to be measured in the next months.

3.4. New instrument in pipeline: Institution for Growth in Greece (IfG)

At the request of the Greek Minister of Development an international committee was established to examine the opportunity of creating an Institution for Growth in Greece aimed at facilitating the financing of the Greek economy. The Committee gathers 10 representatives from Greek and international institutions including an expert from the TFGR. The committee started its work on April 18th, 2012 and has held 9 meetings to date as well as numerous informal sessions and discussions. The committee also drew upon independent know-how from Greece and abroad.

In October 2012, the committee presented a proposal to the Greek government with the following basic principles for such an institute:

- Political influence in the day-to-day business of the institution has to be avoided. The supervisory bodies of the institution should secure an appropriate business at best practice level.
- In order to secure a market oriented investment policy the investors should be the shareholders of the institution.
- The institution should be funded by private and by public sources. Private individuals as well as institutional investors and public budgets should be combined.
- The scope of activities of an "Institution for Growth in Greece" could cover all activities that cannot be performed optimally by the existing institutions in the banking sector. This means wherever market participants offer reasonable solutions an institution should not try to become a competitor to market participants. All activities should be designed to make a contribution to overcome a market failure.

The committee submitted a proposal for the implementation of an IfG in October 2012. The work entered into phase II with the preparation of a sound gap analyses.

4. REFORM OF THE PUBLIC ADMINISTRATION

Main developments:

A landmark decision, establishing a High Level transformation steering group under the Prime Minister's authority, has been adopted in March 2012. This group should now be used by the Greek Authorities to steer the reform of the administration on a regular basis.

In addition, the major principles for the setting-up, organisation and functioning of the urgently needed, inter-ministerial coordination structure have been decided by the Greek Prime Minister's office. The objective is to enhance inter-ministerial coordination along with planning, monitoring and implementation of all inter-ministerial topics, as well as to arbitrate in the event of key decisions. The structure should now be officially set-up with a view to commencing operations in early 2013.

Work has started on the reorganisation of "government bodies" to support more efficient functioning, while also taking into consideration the budgetary constraints and staffing plans. As a first step, an assessment of the structures of all Greek Ministries is currently underway, with the goal of reorganising the Ministries during the first trimester of 2013. The assessment and reorganization of all other public entities should also start in 2012 and continue during 2013. This will include merger or closure of some state agencies.

Regarding the assessment of staff competences, initial work on methodology and scope of the exercise has started.

The Greek authorities are currently drafting a new version of their ICT global strategy, while a new steering structure is also being set-up.

Public administration reform is one of the key reforms to be implemented in Greece on the path to economic recovery. Reforms of central, decentralised, regional or local levels of government are needed to contribute - directly or indirectly – to the necessary structural reforms.

For over a year, the French Domain leader⁷ has been working actively, in cooperation with the TFGR to provide, in a first instance, State level assistance for the different strands of central government reform.

The German domain leader is cooperating with the Greek Authorities on the local and decentralised administrative reform. A roadmap was agreed and a first steering meeting has taken place with the aim of prioritizing the actions and launching implementation.

4.1. Structure and rules of the central public administration

4.1.1. Inter-ministerial coordination:

A stable and permanent inter-Ministerial coordination structure is urgently needed given the need to enhance the efficiency of the central government administration. It will provide better guidance and more strategic vision across central government by improving and speeding coordination among Ministries, and by arbitrating on on-going inter-ministerial issues. This structure will also be crucial for the implementation of the administrative reform and of the decisions issued by the High Level transformation steering group.

The major principles for the setting-up, organisation and functioning of this structure covering all fields were decided by the PM's office, with the support of the French domain leader and in coordination with the TFGR. The Prime Minister has designated a senior official to prepare the creation of the inter-ministerial coordination structure, who

⁷ For some reforms, a Member State or an international organisation with strong track record in a policy field may assume the responsibility of 'domain leader', supported by the TFGR. The domain leader may be involved at an early stage of the project, including in the definition of road-maps, and guides the Greek authorities in the design and implementation of the reform project.

is now working on these issues. All procedures and necessary measures now need to be taken quickly to establish the inter-ministerial structure, including the official nomination of the coordinator for a 5 year mandate. The structure is expected to be fully operational in early 2013.

4.1.2. Evaluation of the structures of the public entities:

A second main pillar of the Greek administrative reform is to assess the structure of the Greek public entities. This work will involve preparation of transformation scenarios, enabling these administrations to devise and implement structural reforms and appropriate staffing plans, while reducing their costs. A methodology for these assessments was defined by the Ministry of Administrative Reform and E-Government (MAREG), with the support of the French domain leader. This methodology was tested during spring 2012 to evaluate the structures of MAREG and of the Ministry of Environment. The assessment of all other Ministries, including the assessment of the Secretariat-General for communication, is currently on-going. The objective is that recommendations for transformation are delivered to the highest level of the Greek government by end 2012, and that all Ministries are reorganized by early 2013.

The current assessments are conducted by Greek Assessment teams consisting of Greek officials, coordinated by MAREG and under the leadership of the PM office. Following requests from the Greek Authorities, the TFGR and the French domain leader, in cooperation with the other Member States, have provided support of high level civil servants from different national administrations. Their task is to provide expert support to the Greek Assessment teams and ensure that the commonly agreed methodology is implemented consistently throughout all Ministries (so far, about 20 civil servants from 5 Member States have been mobilised).

As part of this restructuring process, assistance is being given to support the necessary creation of horizontal support structures (Human Resource Management, ICT, Audit, Finance Directorate General Financial Services), with a view to applying common rules and harmonized procedures.

4.1.3. Assessment of Staff competences:

Work has started on the definition of evaluation criteria and methodology for assessing the competences of civil servants. Decisions are now needed on the way to progress.

4.1.4. Human Resources policy

Discussions have started on the development of a new Human Resources policy, including rules of recruitment, training, mobility, competence and overall management of officials' career path. This also encompasses, as a priority need, the assessment of senior management competence and merit.

4.2. Administrative reform at the decentralised, local and regional levels

Germany has started providing technical assistance for administrative reform at decentralised, local and regional levels. A roadmap was developed and signed, defining 6 priority axes for the reform:

- (1) Definition of methods and procedures to improve the effectiveness of Municipalities and Regions (pilot applications: area of urban planning, rural development);
- (2) Design and implementation of public policy in the field of real estate of Municipality and Regions, to support local development;
- (3) Improving the capacity of local authorities to utilize the Structural funds (management, simplification of chain procedures for decision);
- (4) Waste management (costing, billing services, municipal cleaning fees);
- (5) Empowering the design and implementation of central policies for the evaluation of the Local Government structures, to improve the services provided to the citizens, taking into account issues of efficiency and highlighting existing spatial variations;
- (6) Supervision of Municipalities and Regions

Several working groups have been created to assess work on the operational implementation plans of each of these dimensions. A dedicated steering committee was set-up and met for the first time in October.

4.3. e-Government

The Greek Authorities have started to draft a new version of their ICT strategy. An ICT steering board was also set-up (MAREG, MoF, PM office) to coordinate and prioritize major ICT projects.

Cooperation is ongoing with MAREG which plays the principal leading role in this field. The steering process will have to be enhanced in the context of the new Inter-Ministerial coordination structure. The management of this process should also take account of feedback from earlier ICT project implementation. The Austrian Authorities have provided preliminary recommendations on the drafting of the ICT strategy, including on the need for steering and setting priorities, and ensuring coherence with other policies. In this field, Austria acts in close cooperation with the French Domain leader on central reform and the TFGR. Further technical assistance was proposed, to be provided as soon as the new ICT strategy will be communicated. In addition TFGR provides expertise when requested on issues related to costing, scope and timing for several high impact projects. TFGR has facilitated a mission on e-Justice in Estonia with several EU experts, involving successful cooperation between the Ministry of Justice and MAREG. The Greek administration has already integrated the findings of the mission in the Action plan produced by the Ministry of Justice.

4.4. Looking forward:

First steps have been taken on assessment and reorganisation of public entities, through the current exercise dedicated to the structures of the Greek Ministries. Close and constant monitoring of the different phases and piloting must now be undertaken by the Greek Authorities in charge of the exercise. Before the launch of the transformation phase, it will be crucial to establish inter-Ministerial coordination and effective decision-making capacity. In parallel, an important challenge lies in the necessary evaluation and

reorganization of the complete scope of the public entities, including all agencies and structures of the public sector, which represent a significant part of the reform. According to Greek law, all public entities should be reorganized by the end of 2013.

5. BUDGET AND TAXATION INCLUDING TAX ADMINISTRATION

Main developments:

Since the last quarterly report was published in March 2012, technical assistance operations have continued in the areas of budgeting, taxation and anti-money laundering policies. There was however a marked slowdown in both reforms and technical assistance during spring, particularly in the area of tax administration due to the extended pre-election period.

Regarding tax administration, three joint EC-IMF quarterly missions have taken place (end of March, end of July 2012, end of October 2012). They have provided extensive advice on institutional reform and possible governance changes, as well as on how to fight corruption in the tax administration. A short-term TA plan has been designed and is being implemented over the second half of 2012, in order to resume efforts in some key areas (debt collection, audit of large taxpayers and high wealth individuals). Technical assistance efforts now benefit from greater receptiveness by the Greek authorities. The strong willingness of the new Government to advance overall reform in this area is still hampered by lack of administrative capacity and inertia. A case in point is the reform of the Code of Books and Records, which while a step in the right direction still requires further simplification (see business environment for more detail).

In the area of anti-money laundering (AML), there is already good progress with a fully operating coordination mechanism between authorities in the AML network, and the launch of training programs targeted at the staff of the various institutions involved in the fight against AML and tax evasion.

In the area of public financial management, IMF and European Commission have continued to provide technical assistance, especially with a view to enhancing expenditure control and addressing the issue of spending arrears. IMF and TFRG have also provided TA on ICT tools for expenditure management and this assistance is expected to continue in the short to medium term.

Finally, a new stream of technical assistance is being organised to support modernisation of the Hellenic Court of Audit. The Road Map for technical assistance to the Hellenic Court of Audit has recently been agreed and work has started with a high level formal kick off meeting on 2nd October in Athens.

5.1. Tax Administration

Technical assistance in the field of tax administration slowed during spring as the General Secretariat for Tax and Customs (GSTC) was unable to undertake any

commitments in the absence of clear political leadership⁸. This led to the suspension of many expert missions at a time when technical assistance actions on organizational and legislative change were expected to gain traction after the initial "gap analysis" phase.

In order to continue the technical assistance effort, the IMF and the European Commission started discussions on a short-term TA plan composed mainly of targeted training actions and specific technical support in some key areas: debt collection, audit of high wealth individuals and large corporate taxpayers. This TA plan was finally accepted at the end of June and its implementation is on-going. Four main actions have commenced in the second semester of 2012.

- Support for the creation of a debt collection call center and of an automated debt reminder system, as well as training on the handling of large debts, to be performed by experts provided by the "domain leader" Belgium and by the Netherlands; these actions will be continued in Athens by a new resident expert provided by the Belgian Ministry of Finance as of September 2012;
- Training on indirect audit methods for high-wealth individuals, entrusted specialists provided by the "domain leader" France for audit and high-wealth individuals;
- Training on audit methods for large taxpayers in the construction/real estate sector, to be performed by experts of the "domain leader" for large taxpayers (Spain);
- Training on computerized audit techniques for large taxpayers, performed by Swedish specialists.

This short-term TA plan is geared towards helping the Greek authorities to make progress in areas covered by important programme benchmarks set out in the economic adjustment programme. However, the most recent figures (from end-October) show that the Greek tax administration is falling short of targets and is not well placed to meet end-2012 benchmarks. Regarding debt collection, payments of "old" debt have, so far, amounted to 983m€ against a 2012 benchmark of 2bn€. Regarding audit, the target for temporary audits of large tax-payers has been reached (354 audits completed on 31/10 compared to a target of 325 audits).

However, the target for full-scope audits of large taxpayers (88 audits completed on 31/10 vs. a target of 300) and audits of high-wealth individuals (467 audits completed on 31/10 vs. a target of 1,300) will be very hard to reach in the last two months of 2012. Regarding audits of VAT non-filers, the end-of-year benchmark in terms of number of audits has already been met (18,071 audits by the end of 2012 against a target of 10,000). The collection rate to date this year (20.83% of tax and penalty assessed) is in line with the 2012 target of 20%.

The arrival of a new Government, which is strongly committed to the overall reform of the tax system will help to support and eventually allow for a revamp of certain key operational functions of the tax administration. This new level of commitment has facilitated the enhancement of the TA effort in a variety of fields. The new Deputy

⁸ The Secretary General for Tax and Customs resigned in January 2012 and has not been replaced yet (beginning of October 2012) ; the interim Finance Minister, during the period between the May 6 and June 17 elections, had no authority to take any far-reaching decision.

Minister in charge of Revenue Administration attended a coordination meeting in Brussels on July 17th with EC, IMF and Member States, in which he stated his willingness to work closely with TA providers in order to advance the reform agenda encompassing all aspects of tax administration: tax policy, management and operational processes. In particular, the stated objective is to reinvigorate the audit function, by taking auditors out of the local tax offices and raising significantly their number.

In this respect, a most urgent issue is to bring forward the institutional reform and improve governance of the tax administration. Joint EC-IMF missions in March and July have provided extensive advice to the Greek government on how to modernize the tax administration governance framework, so as to give it more operational autonomy in terms of processes, HR, budget matters; the July EC-IMF TA mission also made suggestions for an overall anti-corruption action plan for the tax administration. Legislation has been adopted in order to give the new Secretary General more powers to steer the operations of the tax administration, as a first step. An Institutional Reform Working Group, with involvement of MAREG and support of TA providers, is mandated to explore legal prerequisites for a more complete overhaul of the governance model.

Efforts are also under way to reform the tax system. A reform of the income tax code is underway with support of the IMF. The Code of Books and Records⁹ - up to now a major source of complexity in the Greek tax system - has been modified even though the solution chosen was not fully in line with international best practice in terms of tax record-keeping as proposed by TFGR and IMF. This may prevent, at least in a transition period, from reaping the full benefits of simplification efforts. A more ambitious solution could have removed one of the main opportunities for soliciting payments from companies and tackled obstacles to better use of tax audit resources. The drafting in early 2013 of a Tax Procedure Code should be an opportunity, with TA support, to implement further legislative changes with a view to simplifying processes within the tax administration.

Technical assistance is provided by an IMF supervised expert in order to develop a fully articulated strategy for the collection of Social Security contributions. However, improved collection will not in itself be sufficient to guarantee the timely transfer of funds, which remains a problem that needs to be addressed.

Lastly, TFGR has been marshalling support from the Commission services and from some Member States in order to assist Greece (Greek Ministry of Finance, Bank of Greece and Hellenic Capital Markets Commission) in the drafting and negotiation of a tax agreement in the banking sector with Switzerland.

Next steps in TA to the tax administration will follow the same logic, with a three-pronged priority:

1. Assist with institutional reform;
2. Help to meet the short-term revenue imperative, especially by support for training and advice plans to redeploy staff towards debt collection and audit;

⁹ The Code of Books and Records defines the records of payments and receipts that must be kept by companies for purposes of demonstrating tax compliance.

3. Help to design and revamp all core functions of the tax administration (audit, collection, dispute resolution, taxpayer services).

5.2. Anti-money laundering (AML)

Since the beginning of 2012, the Greek Financial Intelligence Unit (FIU) has reported 418 cases of suspected tax evasion to the tax authorities and SDOE (tax investigation service) based on analysed suspicious transaction reports (STRs) from mainly financial institutions.¹⁰ Since the beginning of 2012, 267 cases relating to confirmed tax evasion have been sent to the Prosecutor's office and assets of value of 94.5m€ have been frozen.

Table: Data on tax evasion cases identified by FIU:

| | 01/01/2012 – 30/04/2012 | 01/05/2012 – 31/08/2012 | 01/09/2012 – 03/12/2012 | SUM |
|---|----------------------------|----------------------------|----------------------------|--------|
| Suspected tax evasion cases sent from FIU to tax authorities and SDOE | 65 | 159 | 194 | 418 |
| Confirmed tax evasion cases received by FIU and sent to Public Prosecutor | 84 | 56 | 127 | 267 |
| Frozen criminal assets | 36.6m€ | 15.8m€ | 7.4m€ | 94.5m€ |

Since agreement on the Road Map for Anti-Money Laundering was reached, good progress has been made in all the workstreams covered by this roadmap.

In order to strengthen the reporting to the Financial Intelligence Unit (FIU) by financial institutions, guidance on suspicious reporting related to tax evasion has been issued by the Bank of Greece, supported by advice from the IMF. Work on an AML supervisory tool progresses according to plan. Only recently additional guidance on suspicious reporting has been issued by the General Secretariat for Taxation and Customs for tax advisors and accountants.

¹⁰ Tax authorities, as well as SDOE, are obliged, according to the law, to also send STRs to the FIU as soon as they have confirmed tax evasion. As soon as those STRs are received, the FIU investigates and locates the movable (cash, shares etc.) and immovable (land, property) assets. Directly afterwards the FIU issues a freezing order up to the amount of the tax evasion and at the same time the case is sent to the relevant Prosecutor's office in order to press charges for the crime of money laundering. Following this order, the penal procedure starts. It should be noted that according to the legal provisions of tax evasion and money laundering, the person accused has the right to pay for his debts and then the judicial council or the court will decide whether the charges of both tax evasion and money laundering shall be withdrawn.

A tactical analytical course has been organised for the FIU with the help of experts from Belgium, Norway and the Egmont Group¹¹ in order to strengthen the analytical skills of the FIU in relation to tax evasion.

In order to enable financial investigators to make good use of the AML information given to them, basic agreement has been reached on an 18 months training program for financial investigators to strengthen awareness, deepen knowledge on methods and deliver training on the job. As domain leader, the Dutch Fiscal Information and Investigation Services (FIOD) already delivered two well-received seminars for 120 financial investigators coming mainly from the Financial Police, SDOE (Financial Crime Unit), General Secretariat for Taxation and Customs, FIU and Public Prosecutors on Economic Crime. In addition they organised a seminar on internet search techniques for 40 investigators and one specifically developed seminar for 28 managers responsible for AML.

In order to further strengthen coordination between authorities in the AML network, meetings take place every two weeks to discuss obstacles to implementation. In order to boost the exchange of information within the network, the June meeting decided to start work to introduce an indirect registry of bank accounts to effectively support Greek law enforcement. During that meeting, German experts gave an overview of their system. Progress in this field is challenging and will be carefully monitored. Work is also under way to improve operating procedures regarding the exchange of information between the FIU, GSTC and SDOE so as to make better use of the freezing instruments of the FIU in tax-related money laundering cases.

The next steps to be undertaken in this field include the following:

- Strengthening operating procedures for the exchange of information between FIU, SDOE, the Financial Police and tax authorities and mapping overall responsibilities.
- Launch of a registry of bank accounts.
- Setting-up of additional courses for financial investigators, including on strategic analysis and training on the job.

5.3. Public Financial Management (PFM)

In this area, technical assistance has essentially been provided since March 2012 by the IMF resident advisor and the TFGR member "embedded" in the General Accounting Office (GAO). Given the political uncertainties in spring and heavy demands on GAO in the context of Troika discussions, specific missions in this area have been limited to visits by the IMF peripatetic advisors on expenditure control and fiscal reporting, with no request for outside expertise from Member States over the period. An IMF Headquarters mission visited Athens in late July 2012 to brief the new Minister of Finance on progress

¹¹ The Egmont Group is an informal group whose goal is to facilitate international cooperation between Financial Intelligence Units (FIUs) from different countries, especially in the areas of information exchange, training and the sharing of expertise.

in implementation of reforms; another IMF mission in October 2012 helped provide further guidance on all aspects of the PFM reform agenda.

The main areas of technical assistance activity over Q2 and Q3 2012 concerned:

- the preparation of the 2013 budget and Medium Term Fiscal Strategy, building on the "spending review" exercise conducted in Q2 2012 ;
- the establishment of a Social Budget Committee, which now operates in accordance with the technical and institutional standards suggested by IMF and TFGR technical assistance and provides a forum for discussing budget preparation and implementation issues between the various actors involved (Ministry of Finance, Ministry of Labour, Ministry of Health) ;
- the continuation of assistance in the area of fiscal reporting, where good progress has been achieved since the beginning of the program in April 2010, with Greece now being able to monitor its General Government deficit on a monthly basis. Completion of the "Deloitte" fiscal reporting IT project should greatly enhance capacity in this area;
- the strengthening of expenditure control, through improved implementation of commitment registers and on their extension to the public investment budget. Over 70% of general government entities have established commitment registers which constitutes substantial progress. The use of commitment registers should be now implemented by the remainder of the general government entities and the newly consolidated health Insurance Fund (EOPYY);
- the financial IT systems, where IMF and the European Commission participated in a joint MAREG/GAO working group in order to better define the requirements for a "Fiscal Reform" IT project. Going forward, a redesign of the functional specification of the "Fiscal Reform" is urgently required to ensure that the GAO's existing IT systems and future requirement are taken into account;
- the institutional set-up of General Directorates for Financial Services (GDFS) which aim to improve financial accountability and management. Technical assistance was also provided in relation to the roles and responsibilities of accounting officers where IMF and European Commission provided advice on the organization of these unified financial services, in connection with on-going work in the administrative reform. Operationalizing the GDFS will require the GAO and the Ministry for Administrative Reform and e-Government (MAREG) to issue a joint ministerial decision setting guidelines to establish the GDFS in all line ministries and unify all financial services functions under the recently appointed accounting officers. The roles and responsibilities of the accounting officers also need to be formally enshrined in regulation.

IMF and TFGR TA also advised on the clearance of arrears incurred by line ministries and general government entities, where payments are expected to start once the cash situation of the Greek state allows for such an undertaking. The main focus was on establishing processes for identifying and reporting on spending arrears and strengthening entity's financial management capacity to enable them to prevent the re-accumulation of arrears once the existing stock has been cleared.

Technical assistance will, in the next phase, concentrate on:

- continuing to enhance commitment controls, with the goal of having 90% of General government entities properly maintaining commitment registers;
- assisting in the operational set-up of GDFS, and ensuring that the financial function across line ministries and general government entities is adequately organised and the designated officials receive the necessary training.

5.4. Hellenic Court of Audit

In early August 2012, it was decided to develop a Road Map for technical assistance to the Hellenic Court of Audit (HCA) in the field of external audit. The Road Map has been prepared in bilateral meetings and scoping sessions between HCA, TFGR, the IMF and several European Supreme Audit Institutions (SAIs). The Netherlands Court of Audit has acted as domain leader, with the strong support of the Belgian, French, German and European Courts of Audit. The Road Map focuses on three main areas:

1. Preparation and implementation of an annual audit program.
2. Building Financial Audit Capacity through pilot audits.
3. Strengthening relations of the HCA with the Parliament and other relevant stakeholders.

Implementation has started with a high level formal kick off meeting on 2 October in Athens. This focussed on the relationships between HCA and key stakeholders (Parliament, Ministry of Finance), so as to develop a shared strategic vision of what could be the role of HCA in a rapidly-moving 'public finance management' environment.

A first workshop on risk analysis and planning of financial audits has been delivered by the Netherlands Court of Audit (domain leader), the Belgium Court of audit and the European Court of Auditors for 18 auditors of the HCA.

6. ANTI-CORRUPTION

Main developments:

An action plan has been agreed between those Greek agencies that have a role in preventing, detecting and prosecuting corruption. The two most important elements are a quick set up of an overall national strategy against corruption and the political appointment of a national coordinator, sufficiently supported and empowered to implement this national strategy.

The Road Map on Anti-Corruption has recently been signed by the Ministers of Administrative Reform, Finance, Justice and Public Order on the one hand and the TFGR on the other hand.

It is hard to safely estimate the overall size of corruption. A 2010 study by the Washington-USA based Brookings Institution estimated that corruption (bribery, patronage and other public corruption) costs Greece the equivalent of 8% of its GDP or more than € 20 bn. This percentage does not include tax evasion or underground economy.

Transparency International's 86-country public survey, the Global Corruption Barometer, tells the same story. 75 per cent of Greek people surveyed in June 2010 thought corruption was increasing, and 18 per cent of households who had contact with a public service in the previous 12 months had paid a bribe. According to the latest Eurobarometer on corruption published in February 2012, 98% of the Greek respondents (highest percentage in the EU) consider that corruption is a major problem in their country and 56% think that the level of corruption increased in the last three years. 73% of the respondents in Greece believe that they are affected by corruption in their daily lives.

The recently signed Road Map on anti-corruption focuses on six main areas: 1) Setting up an overall national anti-corruption strategy 2) Strengthening coordination, including via the appointment of a national coordinator under the Prime Minister's Office; 3) Strengthening prevention, awareness and public integrity: 4) Strengthening financial investigation and prosecution of corruption, in particular in high risk sectors. 5) Strengthening the exchange of information. 6) Strengthening of the legal framework.

Since April, TFGR has worked on preparing the Road Map via bilateral meetings and two scoping meetings with several Greek authorities, including different Ministries, the Inspector General of Public Administration, the Greek Ombudsman, SDOE, the Financial Police, the Hellenic Court of Audit and its Commissioner and gratefully used valuable advice from Transparency International, the Council of Europe (GRECO), OLAF and others.

The following are the main next steps that are envisaged in this area:

- Appointment of a national coordinator, set up of a coordination committee and the institution of an advisory board.
- Formulating an overall national strategy against corruption.
- Start implementation of this strategy.

7. BUSINESS ENVIRONMENT:

Main developments:

The new government has identified priority reforms to support economic activity and scale back disproportionate regulation. It has appointed Ministerial coordinators to steer the projects, which has helped to ensure good progress on some of them.

The Greek authorities are making extensive use of technical assistance as they prepare to implement an ambitious programme for simplification of exports and customs formalities, and to strengthen the Greek government structures for export promotion.

Extensive support has been provided in the context of screening and analysis of existing regulations and draft legislative proposals related to regulated professions.

The TFGR has assisted the GR authorities in preparing important legislative reforms for modernising the code of books and records (tax record-keeping), and screened Greek legislation on company start-up and registration. The legislative changes proposed by the Greek authorities in the area of Code of Books and Records, however, do not completely address the risks of exposure to bribe-seeking and compliance costs for companies.

The Greek authorities have started working with the OECD on two wide-ranging and ambitious projects:

- Reduction of administrative burdens in 13 areas, as described in the MoU. This project will deliver recommendations to reduce these burdens by 25%.
- A deep review of the regulatory framework in 4 major sectors of the Greek economy (construction materials, food processing, tourism and retail distribution) to identify regulatory provisions which hinder competition, restrict market access and keep prices artificially high.

In the area of public procurement, the TFGR has organised the delivery of expert reports to help the Greek authorities to define a national strategy for setting up professional and dedicated procurement bodies to manage better procurement expenditure. It has also organised a first workshop on the organisation of framework agreements.

The distressed economic situation continues to weigh heavily on Greek business. The World Economic Forum ranks Greece as the most inhospitable macro-economic environment for business operators out of the 144 countries assessed in 2012¹².

Steps are being taken to tackle to some of the structural barriers and regulatory failings that have traditionally restricted business in Greece. Efforts undertaken by successive Greek governments in a number of areas are starting to pay dividends – as reflected in the improvement of Greek ranking on a number of the World Bank's "Doing Business" Indicators (October 2012). The World Bank improved the ranking of Greece from 101st in 2010 to 100th in 2011 and 78th in 2012 following changes to legislation on access to professions, environmental licensing and construction permits.¹³

The new government has tabled legislation to simplify rules for placing products on the market, and to streamline the multiple permissions process for large investments. Upon taking office, the new government has also identified a series of important reform projects to alleviate regulatory burdens and bureaucracy,¹⁴ including measures to

¹² World Economic Forum, The Global Competitiveness Report 2012 – 2013, available at: <http://reports.weforum.org/global-competitiveness-report-2012-2013/#=>

¹³ World Bank, Doing Business 2013: Smarter Regulations for Small and Medium-Size Enterprises, available at: <http://www.doingbusiness.org/~media/GIAWB/Doing%20Business/Documents/Annual-Reports/English/DB13-Chapters/Executive-Summary.pdf>. The WB attributes Greece's improved score to the following: "It made construction permitting faster by transferring the planning approval process from the municipality to certified private professionals, strengthened investor protections by requiring greater disclosure and introduced a new pre-bankruptcy rehabilitation procedure aimed at enhancing the rescue of distressed companies" (executive summary, p.5).

¹⁴ Speech by Minister K. Hatzidakis, 02/08/2012.

accelerate licensing procedures for strategic investments, to strengthen competition in product markets, to improve conditions for Greek exporters, and to overhaul legislative and administrative structures in public procurement. Coordinators have been appointed by the Minister for Development, Competitiveness and Infrastructure to supervise these reforms.

7.1. Technical assistance for the national export strategy:

Greek export performance continues to improve from a very low base. Exports exceeded 10% of GDP in 2011, which represents a record performance for Greece. The economy remains very introverted – lagging not only behind export-driven economies such as Ireland, Slovakia and Netherlands but also Italy and Portugal where exports account for over 20% of GDP. The national export strategy proposed by the Greek Authorities finalised in May seeks to increase exports to 16% of GDP by 2015. The TFGR is currently providing technical assistance for 2 strands of this strategy:

1. In early November, the Greek authorities published an ambitious road-map for a national export facilitation strategy. This elaborate and coherent road-map was made possible by strong cooperation between a number of Greek Ministries, supported by technical assistance from a TFGR coordinated team comprising UNECE experts, and national experts from SE, NL and the European Commission. This road-map provides an operational blue-print for reducing the cost and time of pre-customs and customs formalities through simplification of documentary requirements, review of working methods (greater use of risk-assessment), automation of processes (electronic customs declarations). The realisation of these important and ambitious objectives now depends on the timely adoption of the planned steps and the appropriate staffing and funding of the project.
2. Alongside this, the TFGR has mobilised a team of Dutch experts to prepare a blue-print for strengthening Greek export promotion. The Greek authorities have expressed the willingness to learn from the Dutch experience in branding GR exports, identifying and securing overseas opportunities, using state resources and agencies more effectively to this end. Following scoping missions during autumn, the Dutch expert team presented a report with their diagnosis and recommendations to the Greek authorities. Together with the Greek authorities, these recommendations will be translated into a roadmap defining the concrete actions to be taken.

7.2. More efficient product and service markets:

Greek product and service markets are hampered by pervasive state intervention, including through price controls and prescriptive regulation that limits market entry and competition. This helps to explain why, despite falling demand, and lower input costs, retail prices in Greece have not adjusted downwards, placing further pressure on households struggling with lower incomes and unemployment. The Greek government has taken some steps to remove some structural rigidities and facilitate competition. It has drafted, and consulted upon changes to the legislative 'Code for placing products on the market'. This will eliminate some disproportionate and outdated provisions on packaging, marketing and pricing.

The Greek State and the OECD have recently launched work on the implementation of the latter's competition tool-kit methodology. This will identify market entry barriers

whose origins lie in regulation. The findings will provide an evidence base to adopt policies to facilitate market entry and to strengthen competition.

7.3. Simplification of rules and procedures:

The TFGR has transmitted a comprehensive screening of Greek legislation on company start-ups and registration to the Greek government. It has identified a number of provisions which could be eliminated or modified in order to bring the cost of company registration (or modification of statutes) down to levels closer to EU averages. The Greek government has already implemented a number of these recommendations, including creating a fast-track for private company creation (IKEs). For the moment, there are no further outstanding requests for technical assistance in this area

The TFGR has also contributed to preparations for overhaul of the cumbersome GR system of tax-record keeping (Code of Book and Records). Existing legislation requires Greek businesses to maintain excessive documentary records for mundane transactions. This system distorts tax inspections and revenue collection. Its replacement by a modern approach to tax record-keeping would bring great relief to Greek businesses. It would also permit transition to a more risk-based and efficient approach to tax audit. As part of the Omnibus Law adopted on November 7th, the Greek authorities have adopted new provisions in this area. While these new provisions certainly constitute an improvement, they only go part-way to tackling the deeply rooted problems in this area and will require further simplification in the near future.

The Greek government and OECD have also finalised an agreement to work together to implement recognised approaches for the reduction of **administrative burdens** arising from 13 categories of Greek legislation.

7.4. Liberalisation of Regulated professions:

Legislation¹⁵ liberalising access to and exercise of professions was adopted on 24 February 2011. This abolished the principal restrictions to the access and exercise of regulated professions (chapter A), while permitting the reinstatement of justified exceptions. The legislation also contains specific provisions removing some restrictions for five professions (notaries, lawyers, law firms, engineers, certified accountants). TFGR has provided the Greek authorities with legal expertise to adapt secondary legislation so that it is compatible with the liberalisation of regulated professions. It has also provided legal assistance with the drafting of an omnibus law reintroducing the certain justified restrictions, as prescribed under Law 3919/2011.

7.5. Public procurement:

The Greek authorities have announced a programme of significant legislative, institutional and operational reforms in the area of public procurement. Progress was made earlier with the establishment of the Single Public Procurement Authority, which can hopefully make a strong strategic input to steering these reforms. More recently, the Minister for Development has published a draft law to underpin the entry into operation of the planned e-procurement system.

¹⁵ Law 3919/2011.

The TFGR has provided technical assistance for a forthcoming national strategy on building central procurement bodies. This assistance took the form of workshops and 2 expert reports on the creation of professional procurement bodies to help the Greek authorities to reduce procurement spending. The TFGR also organised a workshop (09/11) on the preparation of framework agreements for ICT procurement. This revealed strong interest in using these techniques and a need for general guidance. Further technical assistance to support other procurement reforms is in preparation.

8. PUBLIC HEALTH

Main Developments:

Greece has signed a Memorandum of Understanding with Germany (February 2012) and established a Health Reform Steering Committee (September 2012) to supervise coordinate and monitor reform in the management of the national organisation for healthcare (EOPYY), pharmaceutical policy, hospital management, primary health care and health tourism.

Some 6% of GDP and over 11% of all public expenditure were spent on healthcare in 2009. Healthcare reform is considered a crucial component of Greece's efforts to increase the effectiveness and efficiency of public spending. Opportunities have been identified to reduce costs significantly, without compromising health-care quality. Greece has requested technical assistance relating to efficient pricing of medicines, proper accounting and monitoring of expenditure (including e-prescription), setting up of the national organisation for healthcare, modern procurement, invoicing and administration and the concentration and specialisation of NHS hospitals and departments while ensuring mobility of staff. These requests are framed by a Memorandum of Understanding between Greece, the Domain Leader Germany and the TFGR signed in February 2011. While Greece has made progress in its MoU commitments aimed at curbing healthcare expenditure, the healthcare system has greatly suffered from financial uncertainty (decrease of social security contributions, accumulation of arrears, uncertainty on overall budgets).

The new government has confirmed its commitment to healthcare reform by establishing in September 2012 a Health Reform Steering Committee and Sub-Committees in the framework of the Memorandum of Understanding. The Health Reform Steering Committee is responsible for developing, coordinating and monitoring the implementation of the commonly agreed Road Map on Health Reforms in Greece. The Sub-Committees are responsible for the development, coordination and implementation of the individual pillars of the Road Map. The Steering Committee shall be composed of representatives of the Ministry of Health (MoH) of Greece and the relevant entities the

Domain Leader Germany (as representative of all EU Member States) and the TFGR.¹⁶ The Committee and sub-committees meet on a monthly basis.

Assessments missions with experts from relevant Member States have been carried out for EOPPY, Diagnostic Related Groups and ePrescription and Hospital Management. With the exception of Hospital Management, reports have been issued and transmitted to the related subcommittees. Missions for Pricing and Reimbursement of Pharmaceuticals and for primary Health-care are foreseen for December 2012 and January 2013 respectively. The TFGR is closely involved in the efforts of the Greek authorities to design a coherent system of pricing and reimbursement of pharmaceuticals on the basis of MoU commitments including benchmarking pharmaceutical prices. Primary health care, health tourism and NHS human resources (in coordination with the administrative reform process) have recently been identified as new sectors where technical assistance would be needed.

In addition, the TFGR ensures that the management of the healthcare system receives adequate attention in horizontal reforms in public financial management and administrative reform.

9. REFORM OF JUDICIAL SYSTEM

Main developments:

At the end of 2011, the Greek Ministry of Justice presented a technical assistance request identifying the acceleration of judicial proceedings, e-justice, and out-of-court dispute settlement as priority issues for technical assistance.

TA focuses mainly on the acceleration of judicial proceedings through the review of the Code of Civil procedure, e-Justice, mediation and the introduction of mandatory extra-judicial administrative appeals.

Following the initial requests for technical assistance by the Greek Ministry of Justice, bilateral exchanges were undertaken between the Greek, German, French, Dutch, Austrian and UK governments on some issues. TA activities cover, among others, the review of the Code of Civil Procedure, the introduction of mediation, the development of eJustice tools and the introduction of extra-judicial mandatory administrative appeals. The greatest majority of these activities correspond to specific adjustment programme obligations. TFGR has followed up on TA requests through workshops, targeted missions and collection of relevant information and has acted as the contact between the Greek Ministry of Justice and member state experts.

¹⁶ The following subcommittees have been created: 1) EOPYYY; 2) Hospital management; 3) Diagnostic Related Groups; 4) ePrescription; 5) Pricing and reimbursement of pharmaceuticals; 6) Primary health care; 7) Health tourism.

9.1. Acceleration of judicial proceedings

Task force for the review of the code of civil procedure: In April 2012 an expert group (“task force”) was established in order to review the code of civil procedure with a view to accelerating judicial proceedings. This expert group, which was foreseen in provisions under the Memorandum of Understanding, is to be assisted by the involvement of foreign experts. TFGR was called upon to identify and propose such experts from specific Member States with relevant legal systems. Following a proposal of a list of experts, the 'task force for the review of the code of civil procedure' decided to engage the assistance of a German and a French expert. These experts have already started to provide assistance to the ongoing activities of the "task force for review of civil procedures".

Extra-judicial mandatory administrative appeals: Following a request by the Greek Ministry of Justice, TFGR organized a workshop on 11 October 2012 with the participation of experts from several Member States (UK, ES, IT, NL, FR) as well as from the German academic community. The aim of the workshop was to identify, on the basis of best practices, the most efficient and effective way of introducing extra-judicial administrative appeals, with a view of alleviating the burden of cases arriving before administrative courts. At this stage, the MoJ is working with other line ministries in order to define which areas could be possibly covered by this system of appeals; at the same time, a working group consisting of various law practitioners, judges and other legal professionals as well as representatives of other ministries is about to be put in place; the group will be in charge with the preparation of the proposals. As soon as these preliminary steps have been completed, the MoJ may request further assistance from some or all of the participating experts in order to prepare specific aspects of the relevant proposals.

Review of Judicial appeals in the field of migration: The Greek Ministry of Justice has requested TA in accelerating and improving judicial appeal processes related to migration. TFGR is in touch with the ministry in order to further specify this request and deliver the TA needed.

9.2. Alternative Dispute Resolution (ADR) Mechanisms

In the course of 2011, the Greek authorities held bilateral exchanges with the Netherlands and the UK on options for efficient out of court settlement. Following a TA request, TFGR built up on these contacts by organizing a workshop on mediation in March 2012. The workshop, which took place in Brussels with the participation of experts from the Netherlands, the UK, Slovenia and Italy, focussed on the following specific issues: organization of institutions and training; awareness-raising on the functioning and use of those mechanisms and communication to the public; involvement of professional associations and further incentives for the use of ADR and certification (quality assurance) of mediators. TFGR is at Greece's disposal for organising further targeted contacts with Member States.

TFGR, with the financial and administrative assistance of DG COM, and in close cooperation with the Greek authorities, will support the implementation of a communication strategy to publicise and explain the new institution of mediation to the general public.

Besides the above mentioned TA, DG JUST has organized a conference in June 2012 and will organize a series of training seminars (the second seminar took place in

Thessaloniki in November 2012) aimed at Greek judges and legal practitioners. The aim of the seminars is to raise their awareness of the benefits of mediation and familiarise them with its legal framework, taking advantage of their potential to reach the Greek public at large.

9.3. E-Justice

The Greek government e-Justice initiatives are being taken forward in the framework of e-governance actions (see chapter on administrative reform), based on close coordination between the Ministries of Justice and of Public Administration. The TA request in this field aimed at complementing the existing eJustice action plan and facilitating its implementation on a number of specific points including: minutes of court proceedings, electronic judgements, e-tracking of the status of individual cases, electronic filing and electronic registration of legal documents. In response to this TA request, TFGR organized a workshop in Brussels in March 2012, with the participation of experts from Germany, Poland and Estonia.

Following a request by the Greek Ministry of Justice to further explore the Estonian e-Justice system, the TFGR organized a mission to Estonia in late September 2012, with the participation of both the Greek Ministry of Justice and the Ministry of Administrative Reform and Electronic Governance, focussing on the Estonian eJustice and eGovernance tools and solutions. TFGR remains in touch with all relevant actors to assist with the follow up to this mission. In general, TFGR has been deploying all necessary efforts in order to ensure that actions between the overall e-governance action plan in the context of administrative reform and sectoral reforms in the field of electronic administration are compatible and sufficiently coordinated. Last but not least, TFGR has been providing support in ensuring all necessary funds to cover e-Justice projects and comply with the relevant targets of the Adjustment Program are made available through the NRSF.

9.4. Collection of statistics in the field of Justice

The Greek authorities have requested TA for collection of statistics which would underpin a set of accountability and performance indicators for courts. TFGR has collected this information from several member states and has forwarded it to the Ministry of Justice.

9.5. Access to the legal profession.

The Greek authorities requested written contributions on conditions governing access to the legal profession, in the context of specific obligations under the memorandum of understanding for opening up the legal profession. TFGR has helped to mobilise input from several Member States on issues such as the lawyers' contributions to professional association.

10. LABOUR MARKET AND SOCIAL SECURITY

| |
|---------------------------|
| <i>Main Developments:</i> |
|---------------------------|

Unemployment in Greece has risen to critical levels: it reached 25.1% in September 2012 (against 9,3% in 2009). Unemployment among young people in Greece is now the highest in the European Union: well over half of Greeks under the age of 25 years (55.4%) were found to be out of work. This situation is contributing to increased poverty.

Undeclared work is a major issue affecting the Greek labour market, violating labour laws and endangering the viability of a sustainable social security system.

Designing reforms in this field should be carried out in a comprehensive manner, encompassing the assessment of legal needs, the funding of strategic projects and the empowerment of stakeholders. Ad hoc actions supported by Member States, and coordinated by the European Commission, have already been launched in order to support the Ministry of Labour in implementing reforms.

Technical assistance is being deployed across key projects funded through ESF to improve the functioning of the labour market and create employment:

- **Modernisation of the public employment service (OAED):** in the context of sharply rising unemployment and OAED's reduced resources, it is vital to continue to give high priority to modernisation. A new road map has been developed with Member State experts from Public Employment Services (PES) from the UK, SE and DE together with the Greek authorities to prepare an "OAED Reform Project". (It involves the establishment of a Steering Committee as well as a long term mission in Greece by a Member State expert to work on a close cooperation on a daily basis with Greeks counter parts). A Co-operation Agreement has been signed by OAED and the PES of the three Member States, in co-operation with the Task Force. The newly established Steering Committee meets in December.
- **On Youth Unemployment:** Experts from several Member States (UK, PT, AT and FR) participated in a workshop at the beginning of November to contribute to the enhancement of the draft Greek Action Plan to combat youth unemployment. The Action Plan is being revised in the light of MS comments and is due to be implemented by the end of the year.
- **Strengthening the Labour Inspectorate** (SEPE) to fight undeclared work will be based on an assessment which was carried by the International Labour Organisation (ILO) at the end of October.
- **On Social Economy,** the objective is to support the Greek authorities in establishing conditions favouring the flourishing of a social economy ecosystem. Swedish and German experts now sit on a Technical Steering Committee that provides advice on the introduction and development of the social economy, and have helped to devise plans for creating support networks for fledgling social enterprises at national and local level. Experts from France, Belgium and the UK are also engaged in groups set up to develop criteria for the award of grants to new social co-operatives, and to devise means of providing micro credits. A successful workshop was held at the end of October for the exchange of experience and views between a UK social entrepreneur in the care sector and all the Greek social enterprises newly formed in that sector and some who were planning to do so. Networking, mutual support, determination and demonstrating a competitive edge through quality of service were

key points raised. Further sectoral workshops are also planned in addition to awareness raising sessions in Thessaloniki and Crete, at which UK social entrepreneurs would participate.

11. MIGRATION, ASYLUM AND BORDERS

Main Developments:

In the area of migration and asylum, the Task Force is working closely with the Greek authorities and European Commission services so that programmes supported by the European funds under the framework programme "Solidarity and Management of Migration Flows" (SOLID) reach their full potential. This entails meeting strategic policy objectives laid down in the Greek Action Plans on migration and asylum, and on the management of external borders as well as absorbing the entire funds available.

In particular, efforts will focus on launching key projects needed to implement these Action Plans and for which over 235€m has been earmarked for the period 2010-2012.

In June 2012 the European Commission and Greece launched a coordination exercise with Member States to match needs on the ground and Member states' offers of solidarity. The Greek authorities worked during the summer on identifying their needs on the basis of the Action Plan on Migration and asylum agreed in 2010 with the Commission. In particular they reviewed all the areas where Greece needs to show additional progress and where material, financial or technical assistance from Member States could help fill gaps. Member States are now in a position to offer concrete support in areas where Greece is in greatest need. Such support will be accompanied by a clear strategy from the Greek side on how it will be implemented on the ground, including deliverables and timeframes for each action. In this respect Greece will complete the revision of its August 2010 Action Plan on Migration and Asylum by the end of the year. The revised Action Plan, based on an updated assessment of the situation, will include concrete objectives and deliverables. It will serve as the basis for rapid progress and accurate monitoring of implementation.

Since summer, the Greek authorities have made substantive progress in curbing irregular migration flows into the Schengen area by redeploying border guards and equipment to the external land borders with Turkey, using financial support from the European Commission and operational support from Member States via the European Agency Frontex. In cooperation with the Greek authorities, the United Nations High Commission for Refugees (UNHCR) is reinforcing its international protection and humanitarian activities at the Greek external borders. The Greek authorities undertook important steps to tackle irregular migration inside Greece, a government priority, coupling identity checks and administrative detention in view of return with the promotion of voluntary return and stepping-up repatriation. Works on the premises of the centres for First Reception are progressing while pre-removal centres are also being built and renovated across Greece.

The European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (Frontex) will continue to be instrumental in coordinating operational support in the area of return and borders management.

A first priority set out in the Greek Action Plan on Migration and Asylum is the operation of a new Asylum Service, First Reception Service and Appeals Authority. The

Task Force follows closely the recruiting process with the Greek authorities. Transversal efforts supported by TFGR to evaluate the public service and facilitate mobility are expected to bear fruit in the longer term. The Greek authorities and the United Nations High Commission for Refugees (UNHCR) are also stepping up their collaboration in order to improve the quality of the asylum procedure in the transitional period, to reduce the backlog of asylum appeal cases, and build capacity in the new asylum services.

In the area of asylum, technical assistance requests will continue to be channelled through the European Asylum Support Office (EASO).

DG HOME, the TFGR and EASO are cooperating closely on providing operational and structural support to the responsible authorities managing SOLID funds. A joint working programme has been established to frame the work of two seconded EASO experts who will assist the SOLID managing authority during the period October 2012 to March 2013. This working programme contains specific objectives and deliverables for the different funds, such as improving procurement processes for equipment and infrastructure, developing multi-annual activities or providing training.

The Greek authorities, the European Commission and European agency Frontex are also working together to build capacity within the SOLID funds responsible authorities on procuring complex equipment and infrastructure. Frontex started to collaborate with relevant services in the Greek administration on establishing technical tender specification for complex border control equipment and infrastructure.

Concerning the implementation of the Action Plan on Migration and Asylum, during the visit of Commissioner Malmström in Greece in October, Greece and the European Commission committed to a set of benchmarks for the coming months, paving the way to further progress in the asylum, asylum and migration system in Greece,.

12. OTHER ACTIVITIES OF THE TFGR:

12.1. Land Registry

In September 2012, the Ministry of Environment requested the support of the Task Force for Greece for the planning, tendering and monitoring of the project on the completion of the land register (approximately 15 million property rights). The TFGR has identified four Member States which are ready to cooperate for this technical assistance (i.e. Austria, the Netherlands, Germany and Spain) and a scoping mission took place in November. Further technical assistance will be deployed following the response to the report of this scoping mission.

12.2. Energy

TFGR assisted the Greek authorities in their review of support schemes for renewable energy, and in the preparation of measures to maintain the proper operation of electricity markets notwithstanding the financial vulnerability of some of the main players and the difficult conditions under which the regulator has to exercise its duties.

12.3. Privatisation

For a number of assets, successful privatisation requires the creation of a proper regulatory framework ensuring that consumers and public interest imperatives are

adequately protected and privatised assets are deployed in competitive markets. The TFGR can mobilise technical assistance for individual line ministries and regulatory authorities (when relevant) in order to help establishing an adequate regulatory framework.

A workshop on the governance of ports with the participation of experts from a number of member States already took part in early October. Other priority areas where similar actions are envisaged are water and airports.

12.4. Tourism:

The TFGR disseminated requests for technical assistance in the field of tourism in October. Member States and other bodies with relevant expertise were invited to share their best practices in various fields of tourism policy, such as location policies for tourism investments, hotel quality certification or tourism education. TFGR hopes to mobilise relevant input offered by Member States or international organizations to address the requirements and needs of the Ministry of Tourism in a timely manner.

12.5. Monitoring compliance with European Union Law:

TFGR has assisted the Greek authorities in remedying a series of important infringements of EU primary and secondary legislation. TFGR efforts have concentrated mainly on two groups of cases:

1. Long standing infringements, subject to infringement cases at a very advanced stage where fines are imminent: this consideration covers both types of cases, Court of Justice judgements condemning Greece for either not complying with a previous judgment (Article 260 (2) TFEU) or not communicating national transposing measures of an EU directive (Article 260 (3) TFEU).
2. Areas where Greece has failed to make structural adaptations required by EU legislation (e.g. in the field of energy and transport), subject matters that are important for the Greek economy and are reflected in the economic adjustment programme for Greece (e.g. public procurement, regulated professions) and/or have particularly far-reaching negative impact for citizens.

In these situations, the TFGR proposes a reinforced dialogue between the Commission services and the Greek authorities in order to remedy the shortcomings. Depending on the stage of the procedure and the actual case, different action is proposed. The TFGR includes, wherever feasible and appropriate, solutions to the underlying causes of repeated infringements in the road maps/action plans that form the basis of discussion with the Greek authorities for technical assistance.

In this context, it is noteworthy to point out the efforts and achievements of the Greek authorities, with the support of the TFGR, in transposing EU Directives in a timely fashion and implementing EU rules correctly. According to latest data¹⁷ Greece performed better than the 1% EU law transposition deficit target. During the last six

¹⁷ Internal Market Scoreboard Nr. 25

months, major achievements relate notably to the full implementation of the Services Directive (Directive 2006/123/EC), as well as the adoption of transposing measures in the field of capital requirements, safety rules and standards for passenger ships and environmental protection. Likewise, Greece made progress in closing substantial infringements of EU law, in particular three longstanding cases, for one of which Greece paid fines to the EU. Greece implemented the necessary regulatory measures on the installation and operation of all electrical, electromechanical and electronic games and will no longer be required to pay fines. Moreover, Greece abrogated the nationality requirement for access to the profession of notary and brought an end to that infringement. Greece finally adopted the necessary measures to comply with the judgment of the European Court of Justice in case C-498/06 on the failure to fulfil obligations concerning procedures for the award of public supply contracts (medical devices).

Annex 1: Working methods of the Task Force:

The technical assistance provided (TA) by the TFGR responds to demands expressed by the Greek authorities, for which the TFGR seeks to mobilise expertise or relevant support from Member States and other potential providers of TA.¹⁸ Starting from the MoU, a first list of potential TA needs was drawn up in October 2011. From this list, the Greek authorities have identified the most compelling needs in terms of their urgency, maturity, and contribution to lasting structural reform in Greece.

TA needs are mainly grouped in policy domains (budget and taxation; financial sector; cohesion funds and agriculture; business environment, public procurement and competition; labour market, public health, justice and home affairs; administrative reform, e-government, statistics; civil society and social partners).

Following the identification of a need, the Task Force assists in defining a work programme that is finally agreed with the Greek authorities. It usually contains clear deliverables, deadlines and intermediate milestones, terms of reference for TA assignments, specifying the required resources and the Greek entities whose involvement will be necessary. The Task Force also helps the Greek authorities to mobilise the inputs that are needed to implement the TA work programme. This may involve mobilising relevant expertise from other Member States, and European or international organisations which can share best practices or experience in responding to similar challenges.

- Such assistance may take the form of short-term expert missions or workshops where national administrations present their solutions to their Greek counterparts. This should allow the Greek authorities to identify the most appropriate solution to their needs.
- Technical assistance may also take the form of more sustained support from particular Member States or organisations with specialised know-how. This could involve longer-term presence of experts or cooperation with the Greek authorities to provide technical solutions in areas like ICT.
- In some instances, a Member State or an international organisation with strong track record in a policy field may assume the responsibility of 'domain leader'. The domain leader may be involved at an early stage of the project, including in the definition of road-maps. In these instances, the TFGR facilitates on-going cooperation between the Greek authorities, the domain leader and other TA providers.

The matching of TA supply and demand is organised through quarterly high-level coordination meetings organised by the TFGR and involving the Greek authorities, (potential) TA providers and European Commission services. Prior to these meetings,

¹⁸ In addition to EU Member States this includes EFTA EEA states such as Norway and Iceland, as well as EU and international institutions such as the EIB, EIF, OECD, Council of Europe, IMF, and the World Bank. For ease of reference all these are addressed by the term "TA providers", which includes actual TA providers as well as TA providers who have expressed their general interest in making TA available.

Member States or other international organisations are requested to express their interest in providing technical assistance on particular projects.

The Task Force, or where applicable the domain leader, coordinates the delivery of the technical assistance agreed in the work programme. The TFGR also provides support with practical administration (organisation of work-shops and other modalities for transfer of expertise).

The Task Force assists the Greek authorities with the supervision and monitoring of all agreed projects. It reports to the European Commission and Member States on progress or challenges (including through its quarterly reports).

Annex 2: Glossary of abbreviations:

| Acronym | Full name |
|----------------|---|
| ADR | Alternative Dispute Resolution |
| AML | Anti-money Laundering |
| BaFin | Bundesanstalt für Finanzdienstleistungsaufsicht (Federal Financial Services Supervisory Authority – Germany) |
| EASO | European Asylum Support Office |
| EIB | European Investment Bank |
| EIF | European Investment Fund |
| EIOPA | European Insurance and Occupational Pensions Authority |
| EOPYY | National Health Service Organization (Greece) |
| ERDF | European Regional Development Fund |
| ERP | Enterprise Resource Planning |
| ETEAN | National Fund for Entrepreneurship and Development (Greece) |
| FISCALIS | Programme – Taxation and Customs Union – European Commission |
| FIU | Hellenic Financial Intelligence Unit |
| FRONTEX | European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union |
| GAO | General Accounting Office |
| HFSF | Hellenic Financial Stability Fund |
| HRADF | Hellenic Republic Asset Development Funds |
| HRM | Human Resource Management |
| ICT | Information and Communications Technologies |
| IMF | International Monetary Fund |
| KEPE | Centre of Planning and Economic Research (Greece) |
| MoU | Memorandum of Understanding |
| MOU | Management Organisation Unit S.A. |
| MS | Member State |
| NSRF | National Strategic Reference Framework |
| OECD | Organisation for Economic Co-operation and Development |
| OP | Operational Programme |
| PFM | Public Financial Management |
| PMR | Product Market Regulation |
| PSI | Private Sector Involvement |
| RSI | Risk Sharing Instrument |
| SOLID | 4 European Funds "Solidarity and Management of Migration Flows" |
| SPPA | Single Public Procurement Authority |
| TA | Technical Assistance |
| TEKE | Deposit Guarantee Scheme |
| TFGR | Task Force for Greece |
| UNECE | United Nations Economic Commission for Europe |