

Summary of the assessment of the Greek recovery and resilience plan

Grants: EUR 17 769 942 602, loans: EUR 12 727 538 920

175 measures: 67 reforms and 108 investments divided into 18 components

Number of milestones and targets: 331

Climate target: 37.5%

Digital target: 23.3%

1. Summary of the Commission's assessment of the recovery and resilience plan

Criterion	Commission assessment	Rating A-C
2.1	<p>Structured around four pillars and encompassing a well-balanced mix of reforms and investments, the plan aims at addressing the key structural challenges Greece faces and pursues the objective of the Recovery and Resilience Facility (RRF) Regulation to promote the Union's economic, social and territorial cohesion. The plan also provides a good balance across the six policy pillars referred to in Article 3 of the RRF Regulation.</p> <p>As regards green transition, the plan includes measures intended to move Greece towards a low-carbon energy model, reduce greenhouse gas emissions, increase renewable energy sources, promote energy-efficiency and the energy renovation of buildings, introduce sustainable transport modes and protect the natural environment. Reforms and investments on digital transformation relate to enhancing connectivity and broadband coverage, digitalising public administration and key sectors of the economy, and developing digital infrastructures and digital skills. To sustain smart and inclusive growth, the plan provides for measures to reinforce private investments, including for SMEs, improve the business environment, stimulate research, development and innovation performance, increase employment and link skills to jobs, and enhance the efficiency of the public administration and the justice system. Further, targeted interventions are designed to strengthen social cohesion by addressing challenges related to labour market participation, skills development, and equal opportunities, while a number of investments facilitate territorial cohesion. Moreover, to mitigate adverse shocks and better respond to crises, the plan contains actions to tackle long standing issues of the healthcare and social protection systems (social resilience), foster sustainability of public revenues, financial sector resilience, and economic activity diversification (economic resilience), and ensure efficient public administration and sound governance (institutional resilience). Concerning policies for the next generation, reforms and investments across all levels of education aim at digitalising processes and infrastructures, and developing digital skills for the youth, while other measures focus on early childhood education and care.</p>	A
2.2	<p>The plan includes an extensive set of mutually reinforcing reforms and investments that contribute to effectively addressing all or a significant subset of the economic and social challenges outlined in the country-specific recommendations addressed to Greece by the Council in the European Semester in 2019 and in 2020, notably in the areas of quality and sustainability of public finances; accessibility and resilience of the health system; active labour market policies; policies supporting public and private investments in the areas of education, skills and employability; research and development; safe and sustainable transport and logistics, clean and efficient production and use of energy including renewable energy and interconnection projects; environmental</p>	A

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	infrastructures; renewal of urban areas; and the digital transformation of the public administration and businesses. The plan also includes a significant number of measures addressing challenges in the areas of fiscal structural policies, social welfare, financial stability, labour and product markets, and the modernisation of public administration, following up, broadening and complementing post-programme commitments.	
2.3	<p>The wide set of investments and reforms is expected to contribute to economic growth and thereby support the correction of the identified macroeconomic imbalances, while promoting a more inclusive and sustainable growth model.</p> <p>The measures presented in the recovery and resilience plan are especially targeted at addressing the large investment gap that has held back growth in Greece in the past decade, while also facilitating the green and digital transitions and the modernisation of the economy, with a view of promoting export-led growth. Productivity is also expected to improve by increasing the openness of the economy, thus better exploiting Greece's comparative advantages and exposing the economy to higher competition thereby incentivising improvement in competitiveness. The overall increase in GDP is projected to reach 2.1-3.3% by 2026.</p>	A
2.4	Greece has conducted an assessment for each measure indicating that the principle of “ do no significant harm ” is followed. Based on the information provided by the Greek authorities, no measure included in the plan is expected to do significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852.	A
2.5	The green pillar of the plan contributes significantly to the decarbonisation of the Greek energy sector and of the economy overall. Underpinned by the commitment to completely phase out lignite-based electricity production by 2028, the plan supports investment in energy networks and includes measures to promote energy efficiency and the energy renovation of buildings, reforms of the electricity market, of the licensing process and of the financing of renewable energy. It also includes the revision of urban policy and of spatial and maritime planning, and supports infrastructure for electric vehicles as well as the rehabilitation of land currently used for lignite mining. Finally, the plan covers environmental protection issues, such as waste and wastewater management, and includes an ambitious plan for the reforestation of 16,500ha of degraded forest ecosystems, mainly through native species, also supporting biodiversity, such as through a new system for permanent monitoring of species and habitat types. Together, the measures supporting the climate change objectives account for 37.5% of the Greek plan's total allocation.	A
2.6	The digital transition is supported through measures aiming at enhancing connectivity, improving the digitalisation of public administration and businesses, and contributing to the digital transformation of public services and of economic sectors and industrial activities. The plan promotes investment in fibre optic infrastructure in buildings, submarine cables and 5G networks, and promotes the adoption of digital technologies by the SMEs. It also includes important investments in the digitalisation of archives and digitalisation of public services, alongside reforms to simplify and improve public administration processes. Together, the measures supporting the digital transition objectives account for 23.3% of the Greek plan's total allocation.	A
2.7	The implementation of the plan is expected to bring about a lasting significant impact to Greece. It is set to provide a significant contribution to the green transition of the Greek economy and strongly supports the decarbonisation of the energy sector. The quality and the efficiency of the public administration at large, including the justice system and tax administration, will benefit from	A

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	investments and reforms that introduce structural changes. Enhancing and upgrading the digital tools and services is another essential element, coupled with strengthening the administrative capacity and improving the skills of employees. In addition, the strategic investments in very high capacity networks, emerging technologies and the multi-country projects could help achieving scale, networking, interoperability and cooperation with similar activities in other Member States. Measures to strengthen the functioning of healthcare, education and employment services are expected to improve labour market performance and reduce inequalities, poverty and the risk of social exclusion. Finally, strengthening the national frameworks for the fight against corruption, money laundering and terrorism will also be relevant steps positively affecting all sectors of the economy and the society at large	
2.8	Greece has designated 10 “top investments” and 8 “key reforms” based on value, impact and maturity criteria, while the remaining measures were categorised in 28 groups based on their area of focus and the allocation of responsibilities across ministries. The milestones and targets are sufficiently clear, ambitious and realistic. Their indicators are relevant, acceptable and robust. The plan includes a total of 331 milestones and targets.	A
2.9	A detailed breakdown of the cost per measure was provided, showing that the costs are reasonable, plausible, cost efficient and commensurate. The amount of the estimated total costs of the recovery and resilience plan is also commensurate to the expected social and economic impact of the envisaged measures. For a limited number of cost assessments, costs exceeded the cost range set by comparable projects to a medium extent.	B
2.10	The control and audit system developed by the Greek authorities is coherently designed to meet the RRF requirements. Overall, the solutions identified are adequate to effectively manage the complexity of the plan.	A
2.11	The plan achieves a high degree of coherence and complementarity among its components. This is facilitated by the structure of the plan around four main pillars, which include mutually reinforcing measures.	A

2. Horizontal principles and additionality

Horizontal principle	Commission assessment
Complementarity with EU programmes 2021-2027	The measures in the plan are consistent with and complementary to other EU programmes in the period 2021-2027.
Principle of additionality	The measures in the plan respect the principles of additionality. The plan ensures the additionality of the support provided under the Recovery and Resilience Facility to the support provided under other Union funds and programmes and also ensures that they do not cover the same cost.
Recurring costs	Some of the investment projects are expected to create recurrent cost, due to the nature of the investment, but these cases are limited in number and duly justified and well explained.

3. Reply to the European Parliament's questions

Contribution to equality and gender equality: A series of measures, chiefly in the areas of employment, skills, health and social cohesion, are expected to contribute to gender equality and equal opportunities for all. Long-term unemployed, persons with disabilities and homeless people, persons with a minority ethnic background, migrants and asylum seekers, and people living in extreme poverty are among the beneficiaries. The plan also contains measures to promote female

labour participation. Several other measures also contain an equality aspect, such as early disability detection for children, touristic infrastructures accessible for persons with disabilities, thermal renovation of buildings to tackle energy poverty, training for diversity awareness, strengthened equality data collection to facilitate the assessment of progress made in this field, and addressing issues of debt and insolvency for the most disadvantaged households.

Contribution to high-quality employment creation: The plan includes a wide set of measures that contribute to economic growth and increasing employment. These include measures to address the low productivity of Greek firms, such as actions to simplify the business environment, ease doing business, facilitate the increase of average company size (component 4.7), and promote the digitalisation of small and medium sized firms (component 2.3). The plan also provides important financial incentives to private investment under the loan facility (component 4.7), measures to improve public investment management (component 4.2), trade facilitation and the openness of the economy, as well as infrastructural and skill upgrades in Greece's most characteristic industries: tourism, culture and agri-food, which could lead to increased and more diversified added (component 4.6). An important contribution through the promotion of research and innovation is also envisaged (component 4.5). Further, investments under pillar one, promote growth and productivity through cheaper and more sustainable energy and through better management of natural resources.

Contribution to the implementation of the European Pillar of Social Rights: Measures under the third pillar of the plan contribute to the European Pillar of Social Rights by improving several labour market and social indicators. It envisages a new strategy for lifelong learning, a modernisation of the upskilling and reskilling system, and the upgrade vocational education and training. Reforms aimed at improving the labour market functioning and significant investments in wage subsidies and upskilling/reskilling programmes, and to improve incentives to work and investments in enhancing the public employment services are also foreseen. However, the structural reform needed to ensure timely and tailored delivery of active labour market policies to jobseekers nationwide is not sufficiently addressed. Interventions to expand access to early childhood education and care, deinstitutionalize children and adolescents, support persons with disabilities and promote the labour market integration of vulnerable groups are also included. Nonetheless, these lack an overall framework for strengthening access to social services, including housing. Finally, the plan includes measures aimed at reforming and expanding primary health care and investing in the digitalisation of health services.

Addressing regional disparities: The plan addresses regional disparities primarily through measures under component 4.6. These include building new highways, road safety upgrades, development of the railway system, upgrading regional ports and the certification of 13 regional airports with the European Union Aviation Safety Agency compliance program, as well as measures to promote culture, tourism and agriculture as engines of regional growth. Other interventions include the revitalisation of territories affected by delignification and improvement of electricity interconnections to islands (component 1.1), establishment of a strategic National Disaster Management system (component 1.4), and digital transformation of the health care sector (component 3.3).

Contribution to upward economic and social convergence: A broad set of growth-enhancing measures are expected to deliver growth, thereby reducing economic disparities. These include measures to support small and medium sized enterprises, which in turn can generate growth in the underprivileged parts of the population, and further measures to kick-start the economy, such as in the simplification of business and tax administration (component 4.1), improvement of the financial markets (component 4.4), upskilling of cultural professionals, development of tourism (component 4.6) and improvement of the business environment (component 4.7). Labour market reforms and active labour market policies under component 3.1, investments in human capital and skills under component 3.2, the public health prevention programme, and measures to improve access to social

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services and promote labour market integration of vulnerable groups under component 3.4 are also pertinent. Measures to increase energy efficiency and the energy performance of the building sector (component 1.2) and to increase sustainable mobility (component 1.3) also aim to enhance economic growth and promote social resilience.

Contribution to CSRs on taxation and anti-money laundering: Reforms to enhance the AML/CFT framework, fight against corruption and securing tax collection capacity by modernizing and digitalising the relevant infrastructures and databases are included in components 4.1 and 4.2, to help address CSRs 2019.1 and 2020.4 (pursue structural reforms in key areas, including tax administration and fight against corruption).

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Annex

Table 1: Illustration of the plan's contribution to the six policy pillars

	Green transition	Digital transformation	Smart, sustainable & inclusive growth	Social and territorial cohesion	Health, and economic, social and institutional resilience	Policies for the next generation
1.1 Power Up	●		○	●		○
1.2 Renovate	●		○	●		
1.3 Recharge and refuel	●		○			
1.4 Sustainable use of resources, climate resilience and environmental protection	●		●	●	○	
2.1 Connect		●	○			
2.2 Modernise	●	●		●		
2.3 Digitalisation of businesses		●	●			●
3.1 Increasing job creation and participation in the labour market	●	●	●	●	○	●
3.2 Education, vocational education, training, and skills	●	●	●	●	○	●
3.3 Improve resilience, accessibility and sustainability of healthcare	●	●	○	○	●	
3.4 Increase access to effective and inclusive social policies	○	●	○	●	●	●
4.1 Making taxes more growth friendly, and improving tax administration and tax collection	○	●	○		●	
4.2 Modernise the public administration		●	●		●	
4.3 Improve the efficiency of the justice system	●	●	●	○	●	○
4.4 Strengthen the financial sector and capital markets		●	○		●	○
4.5 Promote research and innovation	○	●	●	○		●
4.6 Modernise and improve resilience of key economic sectors	●	●	●	●		
4.7 Improve competitiveness and promote private investment and trade			●		●	
Loan Facility	●	●	●			
Total number of components that significantly contribute to pillar	11	14	10	8	7	5

Key: “●” investments and reforms of the component significantly contribute to the pillar; “○” the component partially contributes to the pillar

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Table 2: Mapping of country challenges identified in 2019-20 country-specific recommendations and the Greek RRP components¹

Country challenges (as identified in Section 2)	Associated European Semester country- specific recommendations CSR (2019- 2020)	Component 1.1. Power up	Component 1.2. Renovate	Component 1.3. Recharge and refuel	Component 1.4. Sustainable use of resources, climate resilience and environmental protection	Component 2.1. Connect	Component 2.2. Modernise	Component 2.3. Digitalisation of businesses	Component 3.1. Promote job creation and participation in the labour market	Component 3.2. Education, vocational education and training, and skills	Component 3.3. Improve resilience, accessibility and sustainability of healthcare	Component 3.4. Increase access to effective and inclusive 3.5social policies	Component 4.1. Making taxes more growth friendly and improving tax administration and tax collection	Component 4.2. Modernise public administration	Component 4.3. Improve the efficiency of the justice system	Component 4.4. Strengthen the financial sector and capital markets	Component 4.5. Promote research and innovation	Component 4.6. Modernise and improve resilience of key economic sectors	Component 4.7. Improve competitiveness and promote private investments and trade
Fiscal sustainability																			
Fiscal policy and fiscal governance, including measures to ensure long-term sustainability of public finances, while enhancing investment	2019.1, 2020.1.1, 2020.1.2						○						●	○	○	○		○	○

¹ The recommendations related to the immediate fiscal policy response to the pandemic can be considered as falling outside the scope of Greece's RRP, notwithstanding the fact that Member State has generally responded adequately and sufficiently to the immediate need to support the economy through fiscal means in 2020 and 2021, in line with the provisions of the General Escape Clause.

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Health care and long-term care, including measures to strengthen the resilience of the health system and ensure adequate and equal access to healthcare	2019.1, 2019.2.8, 2020.1.2, 2020.1.3										●								
Labour market and social policies																			
Implementation of employment-supporting measures such as short-time work schemes	2019.1, 2020.4, 2020.2.1									●									
Incentives to work, job creation, labour market participation and effective activation support.	2020.2.2								○			○							
Poverty reduction and social inclusion	2019.1, 2020.2.1, 2020.4		○									●							
Policies supporting investment in digital and green transition and in particular, in the following areas																			
a) Safe and sustainable transport and logistics	2019.2.1, 2020.3.4			●														○	
b) Clean and efficient production and use of energy, including renewable energy and interconnection projects	2019.2.2, 2020.3.5	●	●	●															
c) Environmental	2019.2.2,				○														

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infrastructure	2020.3.6																		
d) Very-high capacity digital infrastructure and digital technologies	2019.2.3, 2020.3.7					●	●	○					○	○	○				
e) Promote digital transformation of businesses	2020.3.10					●		●					●		●				●
f) Education	2019.2.5								●		○								
g) Skills, including digital skills and employability	2019.2.6, 2019.2.7, 2020.3.8							●	●		○				○			○	
h) Research and Development	2019.2.4								●								●		
i) Renewal of urban areas	2019.2.9	●	○	●	●							○							
Public administration and business environment																			
Front-load mature public investment projects	2020.3.2													●				●	
Improve the effectiveness and digitalisation of the public administration	2020.3.9				○	●	●		●	●	●	●		●	●			○	
Swiftly deploy measures to provide liquidity and continued flow of credit and other financing to the economy, focusing in particular on small and medium-sized enterprises most affected by crisis.	2020.3.1															●		○	●

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Promote private investment to foster the economic recovery	2020.3.3		●	●				○	○	○	○	○	○	○	○	○	○	○	●
Broader functioning of economy																			
Pursue structural reforms in key areas, such as fiscal structural including the tax administration and public procurement; labour market, social benefits and health care; education, the financial sector and business environment; and modernisation of the public administration, justice and fight against corruption.	2019.1, 2020.4	○			○		○		●	●	●	●	●	●	●	●		○	●

Key: “●” investments and reforms of the component significantly address the challenge; “○” the component partially addresses the challenge