



**HELLENIC REPUBLIC**

**NATIONAL REFORM PROGRAMME 2023**

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## Abbreviations

<b>ACE</b>	All Children in Education
<b>ADIPPDE</b>	Authority for Quality Assurance in Primary and Secondary Education
<b>AML</b>	Anti Money Laundering
<b>AMIF</b>	Asylum, Migration and Integration Fund
<b>BI</b>	Business Intelligence
<b>CAMA</b>	Computer Assisted Mass Appraisal
<b>CDLF</b>	Hellenic Consignment Deposit and Loans Fund
<b>CEDEFOP</b>	European Centre for the Development of Vocational training
<b>CESANET</b>	Central State Aid Network
<b>CoFoG</b>	Classification of Functions of Government
<b>DIEK</b>	Public Institute of Vocational Training
<b>DOATAP</b>	Hellenic National Academic Recognition and Information Center
<b>DYPA</b>	Public Employment Service
<b>EKAB</b>	National Centre for Emergency Care
<b>EN.F.IA.</b>	Uniform Real Estate Property Tax
<b>ESF</b>	European Social Fund
<b>EU</b>	European Union
<b>Eoi</b>	Expression of Interest
<b>EOPPEP</b>	National Organisation for the Certification of Qualifications and Vocational Guidance
<b>EOPYY</b>	National Organization For Health Care Services
<b>EPAL</b>	Vocational High School
<b>EPAS:</b>	Apprenticeship Vocational Schools
<b>ESK</b>	Vocational Training School
<b>GGE</b>	General Government Entities
<b>GAO</b>	General Accounting Office
<b>GDFS</b>	General Directorate of Financial Services
<b>GOV-ERP</b>	Government Enterprise Resource Planning
<b>HCA</b>	Hellenic Court of Auditors
<b>HCAP</b>	Hellenic Corporation of Assets and Participations S.A
<b>HEI</b>	Higher Education Institution
<b>HELIOS</b>	Hellenic Integration Support for Beneficiaries of International Protection
<b>HRADF</b>	Hellenic Republic Asset Development Fund S.A.
<b>HCMC</b>	Hellenic Capital Market Commission
<b>HFSF</b>	Hellenic Financial Stability Fund
<b>IAPR</b>	Independent Authority of Public Revenue
<b>IEK</b>	Institute of Vocational Training
<b>IEP</b>	Institute of Educational Policy
<b>IFIs</b>	International Financial Institutions
<b>IIS</b>	Integrated Information System
<b>IOM</b>	International Organization for Migration
<b>IPSAS</b>	Accounting Standards in the Public Sector

**JMD** Joint Ministerial Decision  
**MEKY:** Employment, Social Security, Welfare and Social Affairs Expert Unit  
**NHS** National Health System  
**NERM** Emergency accommodation mechanism  
**NPLs** Non-performing loans  
**NTA** National Transparency Authority  
**MLG** Multilevel Governance  
**MoLSA:** Ministry of Labour and Social Affairs  
**MTFS** Medium Term Fiscal Strategy  
**OPSDP** Integrated Information System of Fiscal Policy  
**OECD** Organization for Economic Co-operation and Development  
**OPEKA:** Social Solidarity Welfare Benefits Organization  
**PEPAL** Model Vocational High School  
**PHC** Primary Health Care  
**PPF** Project Preparation Facility  
**PPP** Public-Private Partnership  
**POS** Point of Sales  
**PMO** Project Management Office  
**RICs** Reception and Identification Centers  
**RFP** Request for Proposal  
**SILs** Supported Independent Living for unaccompanied minors  
**SME** Small Medium Enterprises  
**SLBO** Sale and Leaseback Organization  
**SPP** Strategic Projects Pipeline  
**SecPD** Secretary of Private Debt  
**STEM:** Science, Technology, Engineering and Mathematics  
**TCNs** Third Country Nationals  
**TIN** Tax Identification Number  
**UAMs** Unaccompanied minors  
**VET** Vocational Education and Training  
**WHO** World Health Organisation

## 1. Introduction

2022 was the third consecutive year over which the European economy faced extraordinary challenges caused by a major exogenous shock. With the economic outfall of the pandemic having receded but not yet completely phased out, the Russian war of aggression against Ukraine triggered a major global energy and inflation shock and introduced a new source of elevated uncertainty deriving from geopolitical risks. The ensuing deterioration of international supply conditions and the swift tightening of global monetary policy resulted in a marked change in the European macroeconomic outlook, reflected in 2022 growth rates significantly lower than projections before the war's onset.

Within this highly challenging and volatile environment, the Greek economy, for the third consecutive year, has been showing remarkable resilience. More specifically:

In terms of economic growth, Greece continues to be Europe's positive surprise. Following the V-shaped recovery from the pandemic achieved in 2021, when growth reached 8.4%, in 2022 Greece recorded a growth rate of 5.9%, significantly higher than initial forecasts and the EU average (3.5%). As a result, in 2022 Greece achieved the second highest increase in per capita GDP (in purchasing power standards) among the 27 EU member states, thus closing the gap from the EU average by four percentage points and accelerating the income convergence path initiated in 2021.

High growth is underpinned by an ongoing structural transformation of the Greek economy. Among others, this is manifested by the fast improvement in Greece's business environment; enhanced institutional, governance, and transparency performance; significant progress in digitalization; and an upward trend in R&D investment spending. Structural transformation is also increasingly reflected in economic variables linked to improving supply side conditions: The large investment gap observed in Greece over the previous decade is gradually being bridged, with the share of gross fixed capital formation (investments) in GDP being on an ascending path since 2020. For a second year in a row, foreign direct investment set a new record both in terms of absolute figures as well as in terms of percentage in GDP. The same holds true for exports of goods and services which in 2022 almost reached the threshold of 50% of GDP, approximately 30 percentage points higher than before the onset of the Greek debt crisis. The increase in Greek exports is largely due to increased exports of goods, which also display increasing diversification across sectors and increasing volumes of high-tech exports.

Labour market outcomes continue improving. In 2022 employment (on a national accounts basis) grew by 3.8% while the unemployment rate declined to 12.4% (LFS data), its lowest level rate since 2011. Importantly, over the last four years the cumulative reduction in unemployment is more pronounced among women and the youth, two groups of the Greek population that were particularly hit during the years of the Greek debt crisis. With employment being a key determinant of poverty and economic and social inequality, and with employment increasing especially among vulnerable groups of the population, the recovery of the Greek economy is projected to be strongly inclusive. It is expected that this will be reflected in poverty and inequality statistics with reference years 2021 and 2022, when the relevant series become available.

Greek public finances continue improving. Since reaching a peak of 206.3% in 2020, the public debt to GDP ratio has fallen by 35 percentage points to 171.3% in 2022, mainly due to strong growth in 2021 and 2022. Public debt reduction has, to some degree, been facilitated by inflation in 2022 but has also been supported by the strong fiscal adjustment Greece achieved in the last two years: Despite providing wide-ranging support to households and firms moderating the effects of the energy and inflation crisis, Greece has achieved the largest fiscal consolidation among all EU member states, moving from a -9.7% headline deficit in 2020 to a -2.3% deficit in 2022. Furthermore, in 2022 Greece achieved a primary surplus of 0.15% of GDP, one year earlier than anticipated.

Greece's banking sector continues its improving trajectory. Starting from a percentage approximately equal to 44% in summer 2019, non-performing loans (NPLs) have fallen to single digit levels, largely due to the implementation of the highly successful Hercules asset protection scheme. The reduction in NPLs, combined with the return of all systemic banks to profitability in 2022, enables the Greek banking system to increase financing to the real economy, thus contributing towards higher growth rates both in the short- as well as the medium-term. It also contributes to improving the quality of banks' capital, including the percentage of deferred tax credits (DTCs), an area in which 2022 noticeable progress took place. The improved outlook of the Greek banking system is reflected in increased valuations of Greek banks' equity, numerous credit rating upgrades of Greek banks and the fully restored trust of depositors, as manifested by the very strong increase in firms' and households' banking deposits: Since March 2020, private non-financial deposits in Greece have increased by EUR 37 billion, a percentage approximately equal to 18% of GDP, the second highest increase among OECD member states after the USA.

As a result of strong growth, improving public finances and banking performance, as well as due to the ongoing structural transformation, Greece has full access to international financial markets at relatively favourable borrowing costs: In previous episodes of global financial stress, deterioration of the international economic outlook and elevated international uncertainty, the Greek spread versus the German bund widened substantially. By contrast, over the past twelve months, despite the significant increase in global inflation and European sovereign bond yields, Greece's ten-year spread versus Germany and other peer EU countries has shrunk, reflecting the significant increase in Greece's credibility as a sovereign borrower and trust on behalf of international financial markets. Greece has already executed the bulk of its funding strategy for 2023, with issuance of Greek public debt instruments being significantly over-subscribed by real-money, buy-to-hold, long-term international institutional investors. Over the last four years the Greek sovereign has been upgraded by leading rating agencies on twelve occasions, with two major rating agencies currently rating Greek sovereign bonds one notch below investment grade.

As in all EU member states, in 2022 the inflation surge caused by the energy shock following Russia's war of aggression against Ukraine, was, and remains, a significant challenge for the Greek economy. Over the course of 2022 inflation became more broad-based, eventually posting a reading equal to 9.3% (HICP inflation) for the whole of the year. Having said that, data suggests that Greek headline inflation has now reached its peak, as since September 2022 inflation readings are on a consistently declining

pattern. The latest (HICP) year-on-year reading in March 2023 was 5.4%, the fifth lowest national inflation rate recorded among the EU27 member states and significantly lower than both the euro area and EU average inflation rates (6.9% and 8.3% respectively).

The reduction in Greek inflation observed in recent months is largely underpinned by lower global energy prices. The latter have been the main determinant of the widening of Greece's current account deficit in 2022. Clearly, this development is not due to the same factors explaining Greece's current account deterioration over 1995-2007. That was mainly attributable to declining Greek cost competitiveness and the consequent increase in the trade deficit caused by the consumption goods' balance. By contrast, over the past three years Greek price competitiveness, as measured by the real exchange rate, is at very high levels. For 2020 and the first half of 2021, the data suggests that the widening of the Greece's current account deficit is due to the significant reduction in tourism and transport revenue caused by the pandemic, while from mid-2021 onwards, and especially in 2022, the deficit is mainly driven by increasing global energy prices. The data also suggests that a significant part of the widening of the Greek current account deficit over the period 2020-2022 is explained by intermediate goods. This is consistent both with the growth of the Greek industrial sector and its greater integration into international supply chains, but also with remaining supply side constraints. The data also suggests that a smaller part of the deficit's widening is caused by increasing imports of capital goods, which however also contribute to the increase in the medium-term production and export capacity of the Greek economy. Finally, and as already mentioned, the contribution of consumption goods in the widening of the current account deficit over 2020-2022 is limited.

Overall, the data suggests that over the past three years Greece's current account has largely been driven by exogenous circumstantial factors. A similar pattern is observed for the whole of the eurozone, whose current account balance (consistently in surplus since 2011) deteriorated significantly in 2022, turning from a surplus of 2.3% of GDP in 2021 into a record deficit of -0.8% in 2022 (a swing of more than three percentage points). As a result of structural reforms, Greece's external sector is at present structurally much stronger than before the onset of the Greek debt crisis. This is reflected in the high level of Greek price competitiveness, substantially increased Greek exports (both in terms of volumes as well as in percentage in GDP), increased exports' diversification across sectors, and increased volumes of high-tech exports. As the temporary factors weighing negatively on the Greek current account gradually recede, the Greek current account is expected to gradually improve, further supported by the increase in price and non-price competitiveness caused by the ongoing structural transformation.

In summary, the quantitative evidence shows that the Greek economy is on a path of strong growth, increasing employment, improving public finances, and improving financial conditions. At the same time, Greece's recovery is characterised by a clear upgrade of the Greek supply side, which is set to continue in the context of the implementation of Greece's ambitious national Recovery and Resilience Plan *Greece 2.0*. Greece's significant progress in addressing the legacy challenges of the past culminated in the landmark decision of the European Commission not to prolong the Enhanced Surveillance framework after August 2022. Greece's progress has also been recognised by international financial



markets, as reflected in the movements of the Greek spread and multiple upgrades of the Greek sovereign from leading credit rating agencies over the past four years. The communications justifying these upgrades highlight the structural improvements taking place in the Greek supply side and institutional framework, over-compensating for the negative cyclical impact caused by successive exogenous shocks, and reflecting a substantial increase in market trust to Greece's debt repayment capacity.

Going forward, the receding yet persistent inflation shock caused by the Russian war of aggression against Ukraine, as well as the elevated uncertainty relating to geopolitical and economic developments, are set to continue impacting negatively upon the global economic outlook. Therefore, these exogenous factors are also expected to weigh on Greek economic activity, resulting in lower growth performance relative to 2022. Having said so, there are numerous factors suggesting that in 2023 the Greek economy will continue displaying considerable resilience and achieve a solid growth rate, higher than the EU average. These factors include the following:

First, a strong, positive carry-over effect from 2022.

Second, continued positive labour market outcomes. Increasing employment is expected to create new incomes thus moderating, or even offsetting in aggregate terms, the negative impact on purchasing power and economic activity caused by price increases.

Third, a considerable buffer of private banking deposits, both of households as well as firms. As mentioned above, the increase in deposits observed since the onset of the pandemic (approximately equal to 18% of GDP) is the second highest among OECD member-states after the USA.

Fourth, continued budgeted fiscal support, within the limits imposed by available fiscal space and debt sustainability, to households and firms (particularly vulnerable ones) against the detrimental effects of the energy crisis and the inflation shock.

Fifth, a banking system much healthier and resilient compared to four years ago, mainly due to the reduction of non-performing loans from approximately 44% to single digit-levels at the end of 2022, as well as improving quality of capital. In 2022, despite the increase in global interest rates, the improving trajectory of the balance sheets of Greek banks led to an overall improvement in credit conditions, reflected in increasing net credit growth. This trend is expected to continue in 2023, increasing further bank financing to the real economy and supporting economic activity through the investment channel.

Last, but not least, economic activity in Greece will continue to benefit by the impulse provided by the deployment of the Recovery and Resilience Facility (RRF) and Cohesion Funds. Although the latter's main impact will be to further enhance the long-term production capacity of the Greek economy, they also serve as a stabilisation tool, moderating the impact of the energy crisis on economic activity. In particular, the Greek National Recovery and Resilience Plan (NRRP) *Greece 2.0* is fully on track. Greece has met successfully and on time the milestones necessary to receive the first two instalments of the

funds it has been allocated under the RRF. As a result, following the disbursement of pre-financing and the first two instalments, Greece has received EUR 11.1 billion out of its total EUR 30.2 billion allocation. By the end of March 2023, 617 projects and subprojects, with a total budget of EUR 17.86 billion including VAT, have already been approved and included in the RRF grants programme. Furthermore, according to the latest data available (end April 2023), 392 investment projects have been submitted for possible financing to the Loan Facility of *Greece 2.0*, with a total face value equal to EUR 12.33 billion. The proposed financing mix of these projects consists of RRF loans EUR 5.1 billion, bank loans EUR 4.11 billion and equity participation on behalf of investors EUR 3.12 billion. Out of the total 392 proposed investment projects, 236 amounting to EUR 2.75 billion have been submitted by small and medium enterprises (SMEs). The submitted projects cover different economic sectors including industry, retail trade, power generation investments, renewable energy sources, telecommunications, tourism and other services. Out of 392 loan applications, loan contracts have already been signed for 136, the remaining being at various stages of assessment. The total face value of the contracted investment projects amounts EUR 5.74 billion and includes an average interest rate equal to 1.9% and an average loan repayment period equal to 12 years.

## **2. Macroeconomic context and prospects**

### **2.1 Macroeconomic developments in 2022**

After the deep pandemic-induced recession in 2020 and the V-shaped economic recovery in 2021, thanks to the successful combination of expansionary fiscal policy and accommodative monetary policy, the European economy lost growth momentum in 2022 on account of the energy crisis related to the war in Ukraine, the ensuing large negative terms-of-trade shock and the tightening of monetary policy to temper the rise of inflation to historically high levels. Nevertheless, the slowdown proved milder than initially expected, as the refueling of domestic demand after the pandemic, fiscal policy measures to contain energy costs and the utilization of NGEU resources provided significant support to economic activity. In addition to these developments, energy prices started to decline at the end of the year, supported by reduced gas consumption and continued diversification of supply sources. Overall, EU and euro area real GDP grew by 3.5% y-o-y in 2022 compared to 5.4% y-o-y in the previous year for the EU and 5.3% y-o-y for the euro area.

The Greek economy showed significant resilience despite adverse global economic conditions, with real GDP growing by 5.9% y-o-y in 2022 (from 8.4% y-o-y in 2021), strongly outpacing the EU and euro area average and pre-pandemic levels (+4.5% compared to 2019). The annual growth rate exceeded the State Budget 2023 estimate of 5.6%, as the second half of 2022 had a larger positive contribution to growth than previously anticipated, on the back of accelerating investment and private consumption benefited from continuing fiscal support, a resilient labour market, accumulated savings, RRP-related investment projects and falling energy inflation since the last quarter of the year.

GDP data from the production side showed a 5.6% increase in Gross Value Added (GVA) in volume terms (from 7.9% in 2021), mainly supported by the services (contact-intensive and others) and construction sectors, as shown in Figure 1. On the part of the services sector, arts/entertainment activities and professional/administrative activities pointed to the highest annual growth rates in 2022 (24.9% and 13.5% respectively), followed by wholesale/retail trade and tourism-related activities (12.6%). The construction sector also contributed significantly to the upturn in GVA, despite high cost-related pressures, logging 26.0% in annual terms, while the industrial sector presented a more moderate rise of 1.6%. Having said that, the industrial production index (seasonally adjusted data) slowed in 2022 compared to 2021 (2.2% from 9.9%) but remained in expansionary terrain thanks to the resilience of manufacturing output.

From the expenditure side, the main driver behind the 5.9% expansion of real output in 2022 was final domestic demand, with a contribution of 6.5 pps, through private consumption and gross fixed capital formation, and net exports of services. In addition, inventories had also a significant contribution to annual GDP growth (1.9 pps), which could lead to higher growth in future GDP revisions.

Real private consumption rose strongly by 7.8%, making the largest positive contribution to growth (5.3 pps), on the back of government support measures to cushion households and businesses against inflation, the strengthening of the labour market and the release of pent-up demand after the removal of the remaining COVID-19 restrictions. Moreover, private sector savings provided additional support to aggregate spending, albeit decelerating amid the negative impact of high imported inflation (4.8% from 9.9% in 2021). At the same time, the increase in private consumption reflected increases in retail trade volume (3.2%), especially for durable goods, and in private passenger car registrations (6.8%).

Instead, real public consumption declined by 1.6% after three years of expansion, mainly reflecting the withdrawal of the majority of the pandemic-related support measures.

Gross fixed capital formation increased by 11.7%, being the second determinant of growth in 2022 with a contribution of 1.5 pps. All investment categories supported total investment, but, at a greater extent, investment in housing and other construction (25.7%), which surged to levels not accomplished since 2013. Public and private investment projects under the RRP underpinned investment activity, which was also facilitated by the robust corporate credit growth (at 12.3% from 4.5% in 2021). At the same time, foreign direct investment increased for the second consecutive year to record levels (€6.4 billion or 3.1% of nominal GDP), mainly being directed towards the manufacturing and services sectors, such as financial and real estate activities.

Despite strong exports dynamics in 2022, buoyant domestic demand after the pandemic coupled with adverse price developments in both energy and non-energy goods due to the intensified energy crisis following the war in Ukraine, led imports to grow faster than exports, resulting in a negative external sector contribution (-2.5 pps). Real exports of goods and services increased by 4.9%, outpacing the pre-pandemic levels (+2.2% compared to 2019), thanks to a strong recovery in tourism and the resilience of

goods exports (notably fuels, industrial goods, food, pharmaceutical products and machinery/transport equipment) against slowing external demand. On the other hand, real imports of goods and services showed a stronger expansion of 10.2%, with goods imports (notably fuels, machinery/transport equipment, pharmaceutical products and industrial goods) accelerating, amid the domestically driven economic growth and the sustained export activity. On the prices side, the surge in import prices of fuels, raw materials, food and other goods as well as the costly transportation services led inevitably to the worsening of the trade balance. Consistent with this, the current account deficit (Bank of Greece data) widened in 2022 by almost 3 percentage points of nominal GDP relative to 2021 (-9.7% v.s. -6.8%), mainly due to the deterioration in the balance of goods, which was only partially offset by the increase in the services surplus (mainly the travel balance), while the income balance worsened.

The labour market continued to perform well despite the challenging environment, benefiting from refueling domestic demand and government support measures to mitigate the impact of inflation. Total employment (on a national accounts basis) rose significantly by 3.8% (2.7% in 2021), driven by employment growth in all industry sectors, except for financial and insurance activities. Real estate activities and Art and entertainment activities presented the highest employment growth rates (14.1% and 7.5% respectively). Similarly, dependent employment flows in the private sector (ERGANI data) remained positive, though slowing compared to 2021 (72.8 thousand persons vs. 133.1 respectively). Moreover, the unemployment rate (LFS data) continued to de-escalate (12.4% from 14.7% in 2021), falling to its lowest rate since 2009.

Headline HICP inflation soared to 9.3% in 2022 from a marginally positive growth rate in 2021 (0.6%), reflecting the energy shock unleashed by the war in Ukraine, and the excess demand stemming from the post-pandemic expansion. The surge in HICP inflation came mainly from record high energy prices (41.0%) and significant increases in food prices (11.7%), gradually spilling over to core elements of the consumer basket (4.6%).

## **2.2 Macroeconomic projections for 2023**

In the first quarter of 2023, economic activity in the EU marginally expanded on the back of more secure energy supplies, continued falling energy inflation and improving business and consumer confidence. That said, the energy component of HICP inflation declined by 6% q-o-q compared to the last quarter of 2022 and the composite PMI Output index moved into expansionary territory for both manufacturing and services for the third successive month in March, hitting a 10-month high of 53.7. The Economic Sentiment Indicator (ESI) averaged higher than in the last quarter of the previous year, though remaining slightly below its long-term average.

On the opposite, inflationary pressures continued to be broad-based at the start of the year, as reflected in accelerating food prices and persistent core inflation, weighing on real disposable income. Therefore, the ECB continued the normalization of monetary policy, exerting a drag on lending activity and thus on investment.

Meanwhile, additional factors are shaping the short-term outlook for the European economy; on the one hand, the high uncertainty amid the continuation of the war in Ukraine, the rising cost-of-living and the recent emergence of financial market tensions, and, on the other hand, the earlier-than-expected China's reopening after its "zero COVID-19" policy which is expected to boost external demand and reduce supply chain pressures.

In light of the above, the euro area economy is expected to remain into positive growth territory in 2023, but at a slower pace compared to 2022. Official estimates for real GDP growth range from 0.8% (IMF World Economic Outlook as of April 2023) to 1.0% (ECB staff macroeconomic projections as of March 2023), with the European Commission's forecast (Winter Economic Forecast as of February 2023) lying in between (0.9%).

Against this challenging environment described above, the Greek economy entered 2023 with higher growth momentum from last year. Moreover, high-frequency indicators showed improved economic sentiment and business conditions in the first quarter of this year. The ESI moved further above its long-term average (106.8 from 101.4 in the fourth quarter of 2022), exceeding EU and euro area readings. In addition, the manufacturing PMI expanded for the second consecutive month in March (52.8). Most of the hard indicators point to a similar picture. Industrial production and retail trade volume rebounded at the outset of the current year, the trade deficit continued to narrow in January-February, the labour market conditions remained supportive in the same period and HICP inflation kept easing amid falling energy prices.

In the second quarter of this year, economic activity is expected to remain resilient provided further easing of headline inflation and supply bottlenecks, and strengthen as of mid-2023, as foreign demand gathers pace, the implementation of the RRP speeds up and tourism receipts return to their pre-pandemic level.

Based on the above, according to the baseline macroeconomic scenario, in 2023 real GDP is expected to grow by 2.3% (against States' Budget 2023 estimate of 1.8%), well above the euro area average, but lower than in 2022. Final domestic demand is expected to remain the main driving force behind real GDP growth, with a smaller positive contribution of 2.6 pps, but mostly supported by investment activity.

Among components, gross fixed capital formation is estimated to contribute the most (1.8 pps and 13.2% y-o-y), mainly supported by investment in equipment and in non-residential construction. Investment as a share of GDP is estimated to increase to 15.3% in 2023 from 13.7% in 2022 and 10.7% in 2019. The effective implementation of the RRP is expected to be the key factor behind the surge in investment, as investment outside the RRP is set to be negatively affected by the tightening of financing conditions. The RRP is estimated to add 1.9 pps to GDP growth mainly through high-quality private and public investment for the green and digital transition. The implementation of a growth-friendly tax policy and of reforms that upgrade business environment is set to facilitate investment activity.

Real private consumption is estimated to add 0.8 pps to real GDP growth and grow modestly by 1.2% after its rapid increase in 2022, amid the normalization of consumer demand and still high inflationary pressures on real disposable income. Nevertheless, continuing fiscal support against inflation, the resilience of the labour market and a higher wage bill due to a 9.4% rise in the minimum wage (effective as from April 2023) are set to sustain private spending at satisfactory rates. By contrast, real public consumption is estimated to decline marginally by 0.4%, amid an unwinding of government support measures in the course of the year.

The external sector is expected to have a significantly milder negative contribution to real output growth compared to 2022 (-0.3 pps), amid the slowdown in domestic demand and declining price levels in energy, raw materials and transportation services. Real exports of goods and services are set to continue to rise (2.3%), in response to the gradual increase of foreign demand and the easing of supply chain disruptions (amid China's reopening) as of the second half of the current year. At the same time, real imports are expected to grow slightly faster than exports (2.6%), despite the slowdown in domestic demand, amid the acceleration of the RRP execution. The consistent rise in goods exports and the full recovery of travel exports to their pre-pandemic level should drive an overall improvement of the current account deficit.

Employment (on a national accounts basis) is estimated to continue growing in 2023, albeit at a slower pace of 0.9%, amid the anticipated slowdown in domestic demand, the gradual unwinding of government support measures and the tightening of financing conditions. On the other hand, job creation through the implementation of the RRP and the labour supply-boosting effect of the minimum wage rise are set to provide support to employment, with employment gains mainly concerning self-employed and private sector employees. Similarly, the LFS unemployment rate is estimated to de-escalate further to 11.8%, albeit at a less dynamic pace compared to the recent years.

HICP inflation is estimated to moderate to 4.5%, on the back of declining energy prices and associated negative base effects. Lagged effects of past high energy prices on food, services and non-energy goods are set to sustain food and core inflation at high rates.

### **2.3 Medium-term growth prospects 2024-2026**

In the medium-term, the Greek economy is expected to enhance its resilience, despite the challenging and volatile global environment, building on credible fiscal policy, reform orientation, productive investment and extroversion. The achievement of sustainable primary surpluses from 2024 onwards and the effective utilization of NGEU resources for the implementation of high-value added investments and structural reforms towards the green, digital and energy transitions, higher employment and social cohesion are set to ensure sustainable and inclusive economic growth and shield the economy against future crises. In this regard, the fulfillment of the 2023 primary surplus target would strengthen fiscal policy credibility, a key factor for the regain of the investment grade in the year.

The shift of the Greek economy's growth model towards a more investment- and exports-driven output composition is set to underpin a solid growth path over the period 2024-2026. In this context, real GDP growth is projected to expand by 3.0% in 2024 and 2025 and 2.1% in 2026, decisively supported by investment and exports growth.

Final domestic demand, primarily through investment and secondarily through private consumption (Figure 2), is projected to add 2.6 pps on average to real growth in the medium-term, driven by the vigorous implementation of the RRP and the resilience of the labour market. The RRP is projected to have a 3.5 pps cumulative impact to real output growth throughout the entire period, with 0.3 pps stemming from grants, 0.7 pps from the loan part and 2.4 pps from productivity-enhancing reforms.

Gross fixed capital formation is projected to increase by an average 9.2% over the period 2024-2026, moving closer to the levels prior the financial crisis in 2026. The key factor behind the expected investment growth is expected to be the effective utilization of NGEU funds, with strong multiplier effects for the whole economy. The expected normalization of interest rates revisions from 2024 onwards should underpin investment activity outside the RRP.

Private consumption is projected to normalize at an average rate of 1.8% over the same period, in line with declining inflation, a further upturn in employment and an unwinding of fiscal support. On the contrary, public consumption is projected to stay almost stable, consistent with fiscal policy sustainability.

On the external sector, exports of goods and services are projected to increase on average by 5.3% in the medium-term, benefiting from export capacity and competitiveness gains. On the other hand, robust growth of domestic demand, mainly investment, bolstered by the implementation of the RRP, should sustain imports at high levels (4.3% on average), resulting in a marginal contribution of net exports to real output growth.

Total employment is projected to increase by 1.0% in 2024 and by 0.9% in 2025, before remaining almost unchanged in 2026, on the back of stabilized financial conditions and job positions generated by the implementation of the RRP. In addition, unemployment is projected to steadily decline throughout the horizon period, by the end of which it is expected to de-escalate below pre-financial crisis levels (9.8% versus 12.7% in 2010).

HICP inflation is expected to moderate significantly to 2.4% in 2024, under the assumption of de-escalating energy prices and the normalization of supply disruptions, and return to the medium-term target of 2% thereafter.

**Table 1** Key annual macroeconomic indicators and forecasts (% annual changes, constant prices)

	2021	2022	2023	2024	2025	2026
Real GDP	8.4	5.9	2.3	3.0	3.0	2.1
Private consumption	5.8	7.8	1.2	2.0	2.0	1.3
Government consumption	2.2	-1.6	-0.4	-1.2	-0.3	0.0
Gross fixed capital formation	20.0	11.7	13.2	9.7	10.7	7.2
Exports of goods and services	24.1	4.9	2.3	6.2	5.3	4.5
Imports of goods and services	17.7	10.2	2.6	4.4	4.8	3.8
GDP deflator	1.3	8.1	4.1	1.8	2.0	2.0
HICP	0.6	9.3	4.5	2.4	2.0	2.0
Total employment*	2.7	3.8	0.9	1.0	0.9	0.2
Unemployment rate*	12.4	10.6	10.1	9.3	8.5	8.4
Unemployment rate (LFS)	14.7	12.4	11.8	10.9	10.0	9.8

\* On a national accounts basis

Source: Annual National Accounts (Hellenic Statistical Authority), estimates/projections of the Ministry of Finance for the years 2023-2026

### 3. Key policy response to major economic, employment and social developments and challenges

#### 3.1. Fiscal policy and fiscal governance, including measures to ensure long-term sustainability of public finances while enhancing investment

##### Part A - Introduction

The Greek Authorities promote efficient public financial management and governance, as well as suitable fiscal measures, to ensure the necessary (for managing the economic cycle) fiscal space and long-term sustainability of public finances, as well as enhance long-term output through investment and higher employment. Policies monitored under post-programme surveillance framework also continue to be pursued and are substantially reinforced through the support of necessary reforms and investments under the Recovery and Resilience Plan (RRP), in particular in the key area of public financial management, with the aim to improve further the underlying fiscal conditions and the confidence of investors and financial markets. Reforms that are being launched and implemented, either as part of Greece's RRP or beyond, include, inter alia, the gradual transition to accrual accounting in the public sector, the upgrade of fiscal management information systems, performance budgeting, spending reviews, the adoption of measures to increase electronic transactions, implementation of the new framework for combating smuggling, the codification and simplification of tax legislation, a modern



institutional framework for state-owned enterprises, improvements in public property management, as well as reforms of the Independent Authority for Public Revenue.

#### **Part B - RRP related**

Under the Greek Recovery and Resilience Plan Authorities are implementing a reform with the aim to combat tax evasion and create fiscal space through the **incentivisation of electronic transactions**. The challenge to be addressed through this reform is the incentivisation of consumers to perform more electronic transactions rather than conventional transactions in selected categories of expenses, reaching EU averages, while at the same time upgrade the electronic transaction ecosystem in order to simplify the business environment of the administrative processes between businesses and Independent Authority for Public Revenue (IAPR). Concerning progress, all the relevant primary and secondary legislation has been published to the Official Journal and according to the measures adopted, 30% of the expenses incurred with electronic means in about 20 expenditure categories are deducted from the taxable income of the taxpayer, with a maximum amount of EUR 5,000 per year, for the period 2022-2025. Data available on the progress of implementation in relation to the incentives to taxpayers are currently not available, as the first data will be available after the submission and clearance of income tax returns for the tax year 2022, which will be completed by the end of 2023. Moreover, the electronic issuance and monitoring of all moving products and goods (consignment paper) is in progress, as the respective primary legislation has been voted and the infrastructure and applications for monitoring these transactions are under development. This subproject is planned to be completed by the end of 2023 and the corresponding sales documents will help reduce tax evasion and the tax gap. The measure also contributes to the functioning of the EU Single Market.

There is also good progress in the reform of the **interconnection of cash registers and points of sale (POS) terminals** with the tax authorities (IAPR), in order to enhance transparency, combat tax evasion and create fiscal space. The reform included the preparation of specifications for the interconnection of cash registers with POS terminals, in order to certify that every transaction is recorded in the cash register and the data is transmitted in real time to the IAPR. At the same time, under the investment branch of the RRP, incentives are introduced for the adaptation of small and medium enterprises to the new requirements and the supply of the relevant equipment. There is overall good progress in the reform. The companies that have electronic tax mechanisms were obliged to upgrade them by the end of March 2022, in order to produce receipts with integrated tax identification and receipt identification code, and to be able to interconnect with IAPR and transmit their transactions on the myDATA platform. During this reporting period, the Greek authorities successfully set out the key features necessary for the interconnection, published the full specifications for the interconnection and functions between online cash registers and Point-of-Sale (POS) systems to the IAPR, while also provided for the necessary provisions of sanctions and exceptions for non-compliance, regarding the interconnection of cash registers with IAPR. By end-March 2023, over 447,500 businesses had already connected their cash registers online with myDATA, to automatically register their retail transactions. The full rollout of the platform which entails that at least 500,000 businesses have interconnected their online cash registers with POS to the IAPR by Q2 2024 will be successfully completed.

Another reform under the Greek RRP concerns the establishment of a **new framework for combating smuggling** and it focuses especially on products subject to excise duties (tobacco, alcohol, energy). This framework modernises the operation of customs by improving their tracking systems, audit processes and equipment in order to provide reliable audits relating to the cargo. Moreover, it entails the redesign of the information systems of IAPR to collect combined information from international databases and to use them to maximise the results of investigative activities. By the end of 2022, nineteen (19) respective decisions/circulates were issued, with most of them relating to the design of the new integrated anti-smuggling system that will provide better and faster targeting of prosecuting customs services with centralised supervision, at points of high interest. By Q2 2023 the majority of the secondary legislation will be published and in force. The reform will be completed by the end of 2025, after the purchase and installation of the new means for smuggling prosecution (x-ray systems) and the development of the system for the utilisation of the inflow – outflow stream data.

Furthermore, the reform on the **codification and simplification of tax legislation** is essential to enhance public trust and taxpayers' compliance, ensuring transparency and facilitating economic growth and investment. At the same time, it is expected to incentivise competitiveness and innovation, but also accelerate the overall digitalisation of tax administration. There is overall good progress in the reform, since the comprehensive Schedule containing a detailed timetable for all deliverables on codification and simplification of tax legislation is being implemented and the respective committees have been set up and their work is ongoing according to the Schedule. A new department in the Ministry of Finance, which is responsible for the legislative and administrative codification of the primary and secondary tax legislation, has been established. At the same time, a new Directorate at IAPR, inter alia responsible for consolidating the secondary legislation has also been established. Furthermore, the procedures for the enactment of the codified Tax Administration Code have been completed and the first phase of the modernisation and update of the Tax Procedure Code will be soon concluded. Moreover, the adoption of codified tax legislation for Income Tax Code and Tax Administration Code will take place around the end of Q2 2023, with respect to the forthcoming elections in Greece. The reform will be completed with the implementation of a knowledge-management system for providing enriched, interconnected and standardised content, which is under development. The system will be based on a data-centric approach to store, integrate, re-use and externalise the existing content, as well as produce new content. The system will provide free access to the public through a dedicated website.

Authorities continue to work also on the **accounting reform**, which aims to implement a gradual transition from modified cash to accrual accounting and consolidated financial reporting within the general government, in order to improve accountability, transparency and decision making. It includes the adoption of accrual accounting policies, training of the relevant personnel, and the design and introduction of the Government Enterprise Resource Planning (GOV-ERP) IT system, all of which are in progress during the reporting period. The new IT system aims at the expansion and technological upgrade of the current Integrated Information System of Fiscal Policy (OPSDP) in order to meet the needs of Public Financial Management in Central Administration. The result shall be a new Integrated

Financial Management Information System (GOV-ERP). The implementation of the reform shall be completed by 31 December 2025.

Moreover, the **reformed regulatory framework for state-owned enterprises (SOEs)** which was introduced with Law 4972/2022 puts in place a modern legal framework for the operation and management of public enterprises and organisations and establishes corporate governance guidelines and specific rules for the operation and management of state-owned enterprises. Specifically under the RRP, a digital registry of the SOEs' and other enterprises where the Hellenic Republic owns shares is currently under development, with the support of a competent working group with employees from the Ministry of Finance and the Ministry of Digital Governance. The first trial presentation meeting has been scheduled for April 2023 at the General Secretariat of Public Administration Information Systems, in order to evaluate the results achieved and assess further needs, while it is estimated that the respective platform will be delivered by the end of May 2023.

Additionally, the **Digital Transformation of the Tax and Customs Administration** investment (with a total budget of EUR 258 million) aims to strengthen the capacity of the tax authority, enhance its overall performance, upgrade the quality of services provided to individuals and enterprises, and ultimately make taxes more growth friendly, thus improving tax administration and tax collection. The main challenges in the ICT area are to replace and modernise the core tax information systems in order to fill the gaps in existing applications, digitise all manual forms and processes and ensure interoperability within internal IAPR systems, as well as with the IT systems of the rest of the public sector. This investment includes 14 subprojects, concerning among others, the development of a new integrated Taxation Information System, the extension of the Integrated Customs Offices Information System (ICISnet), a Human Resources Management System, Office Management Services and Equipment Supply, IT Service Management Tools, Enterprise Risk Management System & Business Continuity Plan, and Data Security. Significant progress has been made so far since two (2) subprojects have contracts awarded, three (3) subprojects are in the tender competition/assignment phase, six (6) subprojects are in the public consultation phase and two (2) funding applications are pending for acceptance. The remaining subprojects are in the drafting phase of the tender competition call. Until the end of Q2 2024, all funding applications will have been accepted, all tender competition calls will be concluded or be in progress and more than 10 subprojects will be in the implementation phase. It is noteworthy that not all of the aforementioned projects fall under the RRF framework. Furthermore, other challenges in the ICT area are the modernisation of the IT equipment of IAPR's services and the provision of modern office automation tools. To that end, the purchase of 10,500 new personal computers is in progress and until Q4 2023 the equipment will be available (laptops, scanners, NAS etc). Also, until the end of 2024 the new Document Management System, the new Content Management System and -for the first time- a Task Management System that will coordinate and support daily work will be in place.

The **digital transformation of tax audits** aims to upgrade the operation of the IAPR's digital systems in order to be easier for the authority to exploit the big volume of data that it owns and monitor economic transactions. The main objectives include maximum data utilisation for combating tax evasion and

smuggling, modernisation of the critical information systems of IAPR, expansion of data collection and internal / external interoperability, establishing capability for data-driven decisions and automated processes, and collection of tax through desk audits and investigations. Most of the above will be supported by the modernisation of the data utilisation capabilities of IAPR, through the new Business Intelligence & Data Analytics environment (the contract award is expected by Q1 2024) that will be able to predict and influence behaviours, as well as the utilisation of the Mydata system, which is fully functional and which collects commercial transactions information and supports the implementation of the electronic invoicing and bookkeeping. The reform will be concluded with the upgrade of the IT interconnection for the use of information by the banks. This system will be ready for extended testing with the banks by Q2 2023.

Lastly, the aim of the **modernisation of the Hellenic Consignment Deposit and Loans Fund (CDLF)** is to increase its operational efficiency, reduce its costs, increase the quality of services provided and provide significant value by granting investment loans to public sector entities in Greece. The investment concerns the CDLF's digital transformation, including the digitisation of loan files and the implementation of an Integrated Information System (IIS), including sub-systems to support critical business functions, as well as the implementation of an Enterprise Resource Planning (ERP) system, a Human Resources Management System (HRMS), as well as the reorganisation of the Managed Printing Services. Regarding the progress, subproject 1 'Digitization of physical files & new Document Management System', has been contracted and is under implementation. As to Subproject 2 (Integrated Information System), the tender has been completed and the submitted bids are under evaluation. Lastly, the tender for subprojects 3, 4 & 5 (ERP Information System, Human Resources Management System, Managed Printing Services) are scheduled for the second quarter of 2023.

### **Part C - Not RRP related**

**Arrears clearance** is one of the most crucial policies in the fiscal management area that are still being pursued under post-programme surveillance. The latest data (January 2023) show that the stock of net arrears has increased by c 70 million from the level in August 2022, indicating a modest deviation from the target. In contrast, the remainder of the subsectors have performed well, as the clearance of their stock of arrears is broadly on target or very close to it. Almost 90% of the target deviation is accounted for by hospitals and the social security fund that administers lump-sum pensions. In that context, the anticipated full implementation of the National Centralised Health Procurement Authority (EKAPY) reform is expected to assist in hastening the clearance of hospital arrears, while Greek authorities are still committed to materially clearing lump-sum pensions in the forthcoming period, which have increased mainly due to the accelerated pace of main pension requests.

**Spending Reviews** are among the main budget tools towards achieving a more efficient use of the available resources by the line Ministries and other General Government Entities and the creation of fiscal space, mainly by prioritising interventions that support development through increased future public revenues or decreased expenditure. Concerning progress, all the concerned entities continued working with GAO during 2022, to improve their performance and the efficient use of their resources

through horizontal and sectoral interventions. In addition, special emphasis was placed on the development of green actions that improve the energy footprint. In fiscal year 2023, the implementation of the spending review interventions continues, while the evaluation of the results of the previous year's actions is also ongoing. In addition, the new environment created by the international energy crisis is taken into account, with new key priorities consisting of 'green' reviews which focus on measures to reduce energy consumption and costs, as well as on interventions that have a positive environmental footprint.

**Performance Budgeting** aims to change the philosophy of public financial management by focusing on results. For the 2022 budget, GAO completed the presentation of the budget with the structure/ classification of programs, supported by performance data (presentational performance budgeting approach). The task included the formulation of the new classification of the budget (ordinary and PIB) based on programs. The budget is now accompanied with performance information for the evaluation of each program (strategic goals, objectives, KPIs etc). During 2023, the general government agencies will monitor the progress towards achieving the goals/ targets set in the framework of the 2023 Performance Budget, through the indicators agreed for each Annual Program Plan. In addition, during 2023, the preparation for the gradual transition to a performance informed system will be further strengthened. A key success factor in this direction is the development and appropriate parameterization of the new financial management information system (Gov-ERP) that will support all the fiscal reforms that are underway.

**Green Budgeting** consists of the assessment and presentation of the environmental footprint of public policies, with the aim to minimise the effects of climate change. During 2021, GAO in cooperation with the European Commission and the OECD started the development of the methodology and standards for the depiction of the environmental footprint of the budget. In 2022, GAO continued with the formulation of a basic methodology for green budget tagging and the pilot implementation in selected performance budget programs. For the 2023 budget, the tagging of the Programs of the Ministries of Environment & Energy and Agricultural Development & Food was presented, taking into account the environmental dimension of the Programs. The actions included in the Programs are evaluated in terms of their positive, negative or neutral contribution to each of the six sustainable development objectives defined by the European classification.

The **Functional Classification** supports the information needed for international reporting and is based on the alignment of the program classification with the CoFoG (Classification of Functions of Government). GAO has been working on presenting the functional classification for both the ordinary and the public investment budget (PIB). The roadmap for achieving this commitment was submitted to the European Authorities in April 2021. The first milestone which was successfully achieved, concerned the development of the first level of the functional classification for the 2022 budget. For the 2023 budget, the functional classification was presented in the second degree of the CoFoG standard. The bridging of the classification by Program with the functional classification was carried out with the cooperation of the competent Services of the General Accounting Office, the Hellenic Statistical

Authority and the Ministry of Development and Investments. The full roll out of the new performance budgeting system (which is dynamic in nature), as well as the new financial management information system, are expected to further improve the information provided.

In the field of **Tax Arrears Management** the “centralisation” of critical business processes is a key factor to achieve the desired level of compliance. IAPR pursues a “centralised” approach to citizens/businesses in the area of collection enforcement as part of the centralisation of such cases in large regional Debt Collection Centers depending on the amount of debt by Tax Identification Number (TIN). The purpose of the new centralised model is to facilitate the collection activities in order not only to achieve higher effectiveness, but also to handle more debt cases. The reorganisation and automation of the debt collection processes have been completed, since the end-to-end IT tax collection system is fully operational across the IAPR, extended also to its local tax offices (incl. Attica and Thessaloniki). The new IT system (‘EISPRAKSIS’) provides a complete overview of the tax and customs obligations for each tax registration number and facilitates the audits through grouping of specific categories, while also reducing the administrative cost for each check. Another area of centralisation concerns capital and property taxation, by introducing Capital Taxation Centers in Athens and Thessaloniki by the end of 2023.

Furthermore, the Independent Authority for Public Revenue is progressing with a comprehensive **human resources reform**. The reform is expected to effectively reverse the trend of the staff reduction in the medium run by making it easier for the IAPR to attract and retain high calibre staff and thus, increase its efficiency. The supplementary wage grid, a key element of the overall human resources reform for the IAPR, which came into effect on 1st June 2021, has been successfully implemented to all staff of the IAPR on 1st September 2021. Furthermore, there are 2 ongoing separate written competitions for the recruitment of permanent staff members to the IAPR (1Γ/2022 & 1Γ/2023). The above measure is expected to substantially upgrade IAPR’s overall human resources and the new staff will contribute to a significant increase of the efficiency and the effectiveness of the Authority. Until the end of 2023, IAPR aims to have about 13,322 employees.

In the field of **public debt and funding strategy**, according to the revised funding strategy of the Hellenic Republic (HR) for the year 2022, the overall issued amount was 8.3 billion euros. Out of the aforementioned amount, approx. 2/3 or 64% was raised within the period March 2022 to December 2022. The targeted overall issued amount of the HR’s funding strategy for 2023, as was approved by the Greek Minister of Finance, is 7 billion euros, out of which, an amount of 6 billion euros has already been raised by the capital markets within Q1 2023, via two successful Greek Government Bond (GGB) issuances: (i) 3.5 billion euros with a 10-year maturity and (ii) 2.5 billion euros with a 5-year maturity. Therefore, approx. 85% of the 2023 funding strategy has already been completed successfully, providing the opportunity to the HR to keep its continuous presence in the capital markets, even in an extremely volatile environment, as well as to preserve a sufficient amount of cash reserves, which currently stands at a level of circa 18% of GDP, providing additional confidence to European Institutions, rating agencies and international investors’ community that Greece will meet its debt obligations under all

circumstances, for a long period of time. Moreover, in the summer of 2022, Law 4941/2023 was voted by the Greek parliament, regarding the strengthening and modernization of the Public Debt Management Agency. The new law incorporates most of the European Stability Mechanism's recommendations for the upgrade of PDMA, including a new, modern organisational structure, the implementation of the three lines of defence model, enhanced jurisdiction and the necessary resources in order to monitor and support the secondary market of GGBs. Finally, the favourable structure of the Greek Debt Portfolio, the continuous dialogue with the investor community, the rebuilding of the Greek yield curve and the low annual gross financing needs of the HR, provide confidence that the investment grade status will be provided by rating agencies sooner rather than later.

In the field of **public property management**, Law 5024/2023 has been passed to permit the recognition of legal titles on real estate property currently owned by the Greek State to private parties. This law aims to resolve the ownership status of the occupied public properties managed by the Ministry of Finance, as well as to safely and clearly define specific conditions for the acquisition of these properties, so that the properties in question are returned to their real owners. Furthermore, a series of legislative provisions were enacted regarding seashore/beach. Indicatively: (a) The buildings of the former Administrations throughout Greece were automatically transferred to the Regions, who have the financial resources for upkeep and renovation projects, in order to conserve resources for the housing of Public Services. (b) Shared and public-utility properties, under the jurisdiction and management of first- or second-grade Local Authorities (OTA), which were registered as "unknown owner" and would belong to the Ministry of Finance, were automatically transferred to the corresponding Local Authorities (OTA), for immediate utilisation for public-use purposes. (c) It became possible to give Ministry of Finance properties for free to other government agencies and Legal Entities governed by Public Law, in order to carry out public interest projects. Furthermore, with the aim to participate in the European and national effort to combat organised crime and corruption, there are ongoing efforts to strengthen the framework for the recovery and management of assets derived from criminal activities, with relevant legislative provisions being included in the Law of the Ministry of Finance that was voted by the Greek Parliament on 6th of April 2023. This law aims to establish a unified framework for the management of seized and confiscated assets resulting from criminal activity and their use for the good of society and the public interest. The law includes provisions for the improved management of these resources, as well as the digitisation of the pertinent processes, such as the operation of a central register that improves transparency and accountability in accordance with EU Law.

Furthermore, **HCAP's new Strategic Plan** for 2022-2024, which was approved by its General Assembly on 31 January 2022 lays the foundations for public enterprises to become more competitive and thus to maximise public property value and be a lever for the transformation of the economy. The implementation of the strategic plan includes actions both on the Investment Role of HCAP and its role as an Asset Manager, the latter being more relevant to HCAP's current portfolio and to undertakings referring to its subsidiaries. These undertakings are relevant to both financial and non-financial performance and during 2022 HCAP launched its targeting process for its subsidiaries. As a first step, baseline measures were completed for indices and projects related, among others, to Digital

Transformation, Customer Satisfaction and CSR Readiness. HCAP has already targeted its subsidiaries in improving their indices results, meaning that in the forthcoming months they will be asked to proceed with specific undertakings in terms of projects. Lastly, through the implementation of its Strategic Plan, HCAP is activating its investment role. In that direction, HCAP conducted a tender and selected two contractors (October 2022) to implement institutional investment programs. It is noteworthy that this is the first time that HCAP is operating as an investor in the country, which is a key aspect of its new strategy to operate as the National Investment Fund (Sovereign Wealth Fund) of Greece. An investment program of 10 million euros during 2023 has already been approved by the Ministry of Finance. For 2023-2024, some of the key Projects and next steps in implementing HCAP's Strategic Plan include the following: Roll out of the new Performance Management system in GF. In relation to Corinth Canal, Strategic Transformation, Technical and legal maturation. Regarding Kalamata Airport, implementation of phase B of the tender process and submission of offers by the prequalified bidders. Concerning the ESG dimension, preparation & publishing of Sustainability Report (both on the group level and per SOE). In the area of compliance, implementation of whistleblowing systems at remaining SOEs and in the area of technology and innovation, implementation of Microsoft Group Procurement Agreement, cybersecurity training, cybersecurity risk profiling etc.

Moreover, as mentioned in the RRP related part, the Greek State enacted the Law for the **modern institutional framework for State Owned Enterprises (SOEs)**, which puts in place a modern legal framework for the operation and management of public enterprises and organisations and establishes corporate governance guidelines and specific rules for the operation and management of state-owned enterprises. The guidelines for its implementation were disseminated to SOEs and included information and instructions for the preparation of: a) their strategic and business plans, b) their mission statements, c) their special obligations statements and d) the update of their articles of association in order for it to be harmonised with the new legal framework. Their strategic and business plans will serve as the base for drafting the 1st 'ownership policy' of the SoEs. This new legal framework also enables **HCAP and its subsidiaries to proceed with reforms that, inter alia, relate to group procurement and group capacity building**. Group Procurement initiative by HCAP aims at mitigating the risk of increased operational expenses in HCAP Group Companies that are mostly affected by high energy prices and relevant inflation rates. Currently, there is already a Group RfP in place for Software Licences that will lead to savings and economies of scale. As per HCAP's scheduling, the next key areas that will be assessed in terms of procurement are: sustainability reporting, cleaning & facility management, energy & fuel, telcos and outsourced services. Furthermore, a General Framework for Procurement will be issued and adopted by HCAP and its subsidiaries, during 2023. Additionally, HCAP's staffing and group capacity building aim at empowering human capital to vigorously pursue the corporate goals with a view to personal development, through enabling structures and processes that focus on the customer. The new SOEs law has enabled HCAP subsidiaries to plan and implement specific HR Staffing plans that serve their missions and strategic goals, empowering at the same time the governance role of HCAP. For the future, the aim is to ensure human resources empowerment for HCAP subsidiaries through targeted staffing plans, according to revised organisational schemes pursuant to strategic goal setting.



Furthermore, the Hellenic Public Properties Co (HPPC) in cooperation with 'Growthfund' intends to **review and appraise the real estate assets of its portfolio**, to identify which of these assets are considered technically, legally and commercially mature, define strategies and exploit alternative options of commercial development and investment. In order for this valuation exercise to be executed efficiently, a pilot project for assets of the HPPC was initiated in the last week of December 2022 and it is expected to be completed by mid-May 2023. Under this pilot project, 'Growthfund' has assigned real estate assets to real estate valuers, who review and perform the given valuations. The aim is to create an asset valuation report on a per asset level, that should include: a) a full description of the asset under assessment supported by visual documentation and brief analysis of its location, accessibility and coordinates (supported by sourced maps) b) a supply-demand analysis of the market in which these properties participate c) an asset marketability with an estimation of the market value with the relevant supporting calculations d) a presentation of the valuation method(s) applied, including inputs and assumptions made. In the first three months of the project, the relevant HPPC databases were mapped, the project's perimeter defined and 500 assets were selected, which are representative of HPPC's Assets Categories, in terms of complexity, maturity etc. For each asset a legal and technical due diligence was performed. Currently, about 1/5 of the assets have been evaluated. The completion of the pilot project will provide HCAP with useful insights for the core project (valuation of a larger number of properties) that will follow. The final target is to create and maintain a database / registry of assets, mature enough to boost investments in real estate through the application of proper segmentation criteria and a set of minimum tasks to be performed on a per asset category basis.

The **Hellenic Republic Asset Development Fund's (HRADF) program implementation** aims at the development and utilisation of public assets to serve the public interest, while adhering to the rules of the private economy in accordance with the prevailing market conditions and with guarantees for full transparency. In the period between 30/4/2022-31/3/2023 HRADF completed emblematic projects and launched many new tenders. The most important highlights are the following:

- The conclusion of the transfer of 100% of the shares of DEPA Infrastructure to the Italgas SpA on September 1, 2022.
- The transfer of SPV shares for the Property of "Former US Military Base of Gournes" in Heraklion.
- The sale of four (4) real estate assets and the long-term lease of Kythnos Island Xenia Hotel.
- HRADF reached an agreement with AviAlliance to develop the ways for the offering of 30% of Athens International Airport through an IPO.
- HRADF, in cooperation with the relevant Ministries, conducted the Alexandroupolis Port Development Plan, following the cancellation of the tender for the sale of the majority stake of Alexandroupolis Port Authority S.A.

Also, during 2022 HRADF's BoD declared the Preferred Bidder for many privatisation projects ("Egnatia Odos" Motorway, Igoumenitsa Port Authority, Pylos Marina etc.). For the next period and until Q2 2024, HRADF plans to conclude the Contracts with the above Preferred Bidders and reach the Financial Closing, while at the same time, many more tenders (Attiki Odos Ring Road, Heraklion Port Authority, Volos Port Authority S.A, etc.) are expected to show significant progress.

### 3.2. Health care and long-term care, including measures to strengthen the resilience of the health system and ensure adequate and equal access to healthcare

#### Part A - Introduction

In the aftermath of the Covid pandemic, Greece has set out to implement a reform programme that aims to modernise healthcare, improve efficiency and efficacy, and enhance the equal and universal citizens' access to health care services. Important steps were made regarding legislative measures that established a primary healthcare system and introduced changes in the framework for hospital doctors, doctor training, emergency medicine and maternity care. Also, important interventions were introduced in the field of mental health, while efforts in the field of public health were intensified.

#### Part B - RRP related

Greece acknowledges that the provision of high-quality **primary health care** (PHC) is a crucial parameter for a sustainable health system. In May 2022, Greece legislated (L.4931/2022) a primary health care reform, in order to establish a comprehensive primary health care system to target the elimination of health disparities in the country. The cornerstone of PHC Reform is the introduction of the family doctor into the public health system, who is the patient's first point of contact with the National Health System (NHS). In the first quarter of the institution's operation, 3,400 doctors and more than 4,800,000 citizens (50% of the beneficiary population) have joined the scheme. A new website has been launched<sup>1</sup> for the enrollment of doctors, the registration of patients and the appointment system and with the support of RRF an upgrade of the PHC network is ongoing, in terms of infrastructure, equipment and personnel. Within 2023, contracts are expected to be signed for all upgrades. Moreover, a unified organisation and management model for the PHC units will be legislated and incentives will be introduced for health professionals to staff health facilities in rural or remote areas, in order to address the problem of shortage of health personnel in these regions, thus ensuring equal access to health facilities for all citizens of the country. Also, new local health units (TOMYs) are expected to become operational in 2023, as the procedures for the staffing have recently concluded.

Regarding **public health**, the National Health Prevention Strategy Programme "Spyros Doxiadis" constitutes a major reform as it is the most extensive prevention, early detection, protection and health promotion programme ever implemented in the country. It was launched in June 2022 with the "Fofi Gennimata" programme for population breast cancer<sup>2</sup> screening, under which approximately 120,000 mammograms were carried out in the first quarter of its implementation and about 7,697 women were early detected and referred to further clinical assessment and investigation of findings. Two more programmes have already been announced and are to be launched within Q2 2023, the "Dental Pass" programme which gives access to free dental care for all children aged 6-12 years and the Cervical

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<sup>1</sup> <https://prosopikos.gov.gr/>

<sup>2</sup> Mammography and ultrasound test-in case of findings to be further assessed

cancer prevention program which involves 2.5 million women aged 21-65 years<sup>3</sup>. Particular emphasis is also given to the promotion of physical activity and healthy nutrition as measures to prevent childhood obesity. The National Childhood Obesity Prevention Program is an integrated action with primary, secondary and tertiary prevention interventions. It applies to all children aged 0-17 years as well as to parents and teachers, and health professionals involved. In this context, in Q3 2023 a new excellence centre, the European Centre for Obesity, will also be established, aiming at providing expertise in other EU-countries for developing and implementing evidence-based integrated programs to tackle obesity. Two more programmes, the Cardiovascular Disease Prevention Program<sup>4</sup> that involves 5.5 million men and women aged 30-70 years and the Colorectal Cancer Screening Prevention Programme<sup>5</sup> that involves 3.8 million men and women aged 50-70 years will be gradually initiated within 2023.

In the field of **mental health** a major step has been the completion of the National Action Plan for Mental Health<sup>6</sup>, a 10-year action plan which was designed by a 35-member expert committee in collaboration with the World Health Organisation (WHO). The plan involves policies and interventions for the promotion, protection and enhancement of mental health for all citizens and especially for vulnerable groups, and aims to ensure seamless universal access in mental health services and zero tolerance for stigma and social exclusion. 56 mental health units have already been rendered operational in 2022 and they are expected to reach 106<sup>7</sup> by the end of 2023. The overall objective remains deinstitutionalisation by establishing an integrated holistic, recovery-oriented, community-based services system. Early intervention is also a key issue in the handling of mental health, so numerous initiatives have been implemented to support people in the early stages of mental health issues, including programs that target children and young people.

Vital investments in **infrastructure** are also being funded **for hospitals**. Restoration and modernisation of 80 hospitals all over Greece is currently underway and the relevant contracts are expected to be signed in the next few months. Key activities include construction, maintenance, modernisation and expansion, as well as procurement and installation of medical equipment and heavy medical machinery through PPPs, and the project is expected to be completed in 2025. Moreover, tenders are expected to be launched in 2023 for the establishment of a Radiotherapy Centre at the “Sotiria” Thoracic Diseases Hospital of Athens and the construction of a building dedicated to Cellular & Gene Therapies and Hematology Clinic Laboratories within the General Hospital of Thessaloniki “Papanikolaou”. Both units shall contribute to the advancement of health services and reduction of the waiting times for therapy, while at the same time reducing costs.

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<sup>3</sup> Includes free Pap tests, hpv dna test, colposcopy, and biopsy, in cases of findings

<sup>4</sup> Includes blood tests for lipid profile and early detection of metabolic syndrome

<sup>5</sup> Provides for free colonoscopy

<sup>6</sup> The key axes of the reform are: i) Mental health-related stigma and discrimination, ii) Advance policies and practices to reduce social and economic inequalities impacting mental health, iii) Foster the elimination of coercive measures in mental health services, iv) Secure prevention and early treatment, v) Free and equal access for psychiatric treatment for all, vi) Improved availability of and access to equitable, recovery-oriented, high-quality mental health services in the community

<sup>7</sup> Including units such as Day Care Centers for children and adolescents, adult population, families, Day Care Centers for workers and migrants, Centres for Eating Disorders, 10 new mobile units for unintentional hospitalisation

**Rationalisation of the pharmaceutical expenditure**, through structural reforms of the pharmaceutical market and healthcare has been a lasting pursuit for Greece. In this respect, a series of structural measures has been introduced to control pharmaceutical expenditure such as: more intense negotiations, consumption control, linking price to consumption, sealed budgets per category of medicine, introduction of filters and treatment protocols, price reductions, the introduction of discounts on expensive or high-consumption medicines, the evaluation of medicines based on their therapeutic merit, and the introduction of an Electronic Health Record system for all medicines in hospitals. The Negotiating Committee concluded sealed transactions of €920 million with estimated discounts and benefits for the public sector of more than €400 million. Meanwhile, the centralised tenders through EKAPY for medicines and supplies have been intensified alongside the increase in tenders.

Considerable progress has been achieved during the past year in the efforts to rationalise pharmaceutical expenditure in Greece & reduce clawback amounts. The reforms of the clawback system aim to drastically reduce it in the medium term, and at the same time offset clawback returns with clinical trial costs, R&D costs or investment costs of companies liable for the return of clawback for the period 2021-2023 (financed by the RRF), as well as rationalisation policies.

In addition to the above, a systematic attempt to **reduce healthcare costs**, the DRG system has already been implemented in 28 hospitals across the country. At the same time, central procurements have reached the target of 40% and recently the National Centralised Health Procurement Authority (NCHPA or EKAPY) has been appointed as the central buyer for hospital pharmaceuticals. By Q3 2023, all hospitals will be able to declare their needs and place their orders in a platform and the pricing will be made straight to EKAPY. Also, central procurements will apply to hospitals, hence raising transparency and control. The upgrade of the digital infrastructure will be partially supported by the RRF. In terms of consumption reduction, therapeutic protocols are being developed for diseases related to the 10 most expensive active substances and will be incorporated in hospitals by Q2 2023, increasing the number of pharmaceuticals that are digitally approved. At the same time, KPIs are being developed for the assessment of the protocols and will also be introduced in Q2 2023. Regarding EOPYY, by Q3 2023, reimbursements for health services by health providers (e.g. general clinics, day centres) will be issued by EOPYY based on quality criteria, and real-time checks will be executed for pre-approval of medical technology products.

A critical factor of success for all health reforms is the digital transformation of Health. An ambitious RRF project has been designed to accelerate the development and adoption of appropriate, accessible, and sustainable digital health (DigHealth) solutions and enhance the equal access to health care goods and services to uninsured citizens and other vulnerable categories of patients. Up to now, 3 tenders have already been published, regarding the Digital Patients Health Records, the Telemedicine and the EOPYY Digital Transformation, while 2 more, the Cancer treatment digital transformation programme and a project for the improvement of Hospital Digital Readiness, are expected to be launched in the next months.

## Part C - Not RRP related

Complementary to the RRP project for **mental health**, the Ministry of Health in collaboration with the Stavros Niarchos Foundation (SNF) implements the Child and Adolescent Mental Health Initiative. This program, which was launched in 2021 (and will run till 2026), aims to help enhance mental health care capacity for children and adolescents while strengthening infrastructure for the prevention, assessment, and treatment of mental health disease.

Regarding **hospital care**, apart from RRP measures, Greece has recently updated the legal framework to better regulate issues such as the recruitment, assessment and private practice of NHS doctors, clinical training of medical graduates, and the remuneration system for doctors. For the first time in 15 years, the NHS doctors' salary was increased by 10% and more than 15,000 recruitments have been made. As a result, clinical training of medical graduates includes a six-month paid Preliminary Clinical Practice program ("Foundation") in departments of pathology, surgery, anesthesiology and emergency departments, in selected public hospitals. The main objective of the Preliminary Clinical Practice program is the acquisition of skills necessary for the independent practice of Medicine. In particular, the objectives of the pilot program of the Preliminary Clinical Exercise move along two axes: 1. Practicing Medicine in real conditions under supervision and 2. Development of professional characteristics such as: autonomy, responsibility, efficiency and professional behaviour. Moreover, the revision of the legal framework governing the assessment and recruitment of NHS doctors ensures that the selection of permanent staff is targeted and tailored to the current needs of each area's population, while the NHS doctors are given the option to engage in limited private practice, or to provide services in the private sector. Complementary to that, a system of financial incentives is being implemented to attract and retain doctors in the NHS and the National Centre for Emergency Care (EKAB), i.e., a monthly allowance for physicians serving in emergency units, anaesthesiologists and physicians in the National Centre for Emergency Care and an increase in hospital allowances for physicians serving in Intensive Care Units. The full-day surgery operation with extra remuneration for medical staff was established, providing an important alternative to citizens for non-emergency elective surgery.

In the past few months, Greece also has tackled two major issues in healthcare, **palliative and maternity care**. In December 2022, a new framework for palliative care has been introduced, that foresees the establishment of a National Registry of Palliative Care Patients and establishment, for the first time, of a palliative care service provision system, which, in cooperation with the other existing structures of the National Health System, will serve to improve the quality of life of patients suffering from life-threatening or chronic disease. It is estimated that these interventions will benefit more than 135,000 citizens and their families, as only a small percentage of them are in need of hospitalisation, while the rest could receive palliative care services at home. Regarding maternity care, the newly established framework aims to promote the mother's physical and psychological health during pregnancy and childbirth, the specialised care of each woman and newborn, as well as the support and empowerment of the woman and her partner in parenthood. In that context, within 2023 natural birth centres will be

established in selected public hospitals and at the same time the parameters for the provision of home midwife services will be defined.

Last but not least, the **Long-Term Care** reform involves the development and implementation of a National Strategy for Long Term Care in line with the institutional/regulatory obligations stemming from European policies. The Secretary General for Social Solidarity and Fight against Poverty has been appointed as the National Coordinator for the implementation of the Council Recommendation on access to affordable and high-quality Long-Term Care. Furthermore, a National Action Plan and Strategy for healthy ageing will be developed, taking into account the "Green Paper on Ageing". The Ministry of Labour and Social Affairs (MoLSA) has already requested this plan and it is currently receiving technical support from DG REFORM to adequately design and implement a framework for quality Alternative Long-Term Care (ALTC) services on a pilot basis, which is under development.

### **3.3. Implementation of employment- supporting measures such as short-time work schemes**

#### **Part A - Introduction**

In February 2023, Greece's unemployment rate dropped to 11.4% compared to 18,5% in February 2019. While this is a significant improvement, the Greek government remains committed to reducing unemployment even further, with a particular focus on addressing its disproportionate impact on women, youth, and long-term unemployed individuals. To achieve this goal, the government is pursuing a comprehensive reform agenda aimed at boosting employment and modernising the labour market via measures that promote job creation and the increase of full-time versus part-time employment. Additionally, the government is reforming and enhancing both active and passive labour market policies to ensure that they are effective in helping people to find and keep jobs.

#### **Part B - RRP related**

Greece's strategy has a two-fold approach to address unemployment and support employment. The first approach is the reform of **Passive Labour Market Policies** (PLMP). The Law 4921/2022 established a new framework of mutual obligations between jobseekers and DYPA that will serve as a basis to modernise and rationalise the current unemployment benefit and allowance system, removed legal disincentives for upskilling/reskilling, and introduced tools such as the Digital Action Plan for the unemployed to make the system more effective in supporting those actively seeking employment. The law also specified the income criteria for DYPA benefits, allowances, and other services connected to the unemployment status, and provided the legal basis for the implementation of UB pilots in order to test the expansion of the social protection net for jobseekers and promote a fairer distribution of unemployment benefits. There are currently two pilot projects being planned to test the reforms being made to the unemployment benefit (UB) system. The first project, aimed at reforming the UB system, seeks to increase the coverage rate and create a stronger social safety net for the unemployed. Additionally, it aims to promote a more equitable distribution of UB. The second project, which is focused on strengthening the long-term unemployed allowance, is altering its basic characteristics to

align with the reformed UB. This will enable the allowance to be more efficient and sufficient in helping long-term unemployed individuals integrate smoothly into the labour market. By the end of 2023, the aforementioned UB pilots will be specified and they are expected to launch early in 2024, following the results of an ex-ante impact analysis carried out by DYPA as part of a DG Reform technical assistance project.

Following the adoption of the National Strategy for Active Labour Market Policies 2022-2030 which set the framework, the **Active Labour Market Policies Reform (ALMP)** aims to maximise the effectiveness of the ALMP interventions through the redesign, strengthening, and overall reform of the ALMP toolbox. This includes significant investments in programs that subsidise employment in the private sector for unemployed persons, including population groups most severely affected by unemployment and vulnerable groups facing the highest barriers to labour force reentry. It also provides younger unemployed persons with the opportunity to gain valuable work experience through paid full-time internships and enhances counselling capacity, as well as the quality and intensity of services. The objective of this series of improved Active Labour Market Policies is to reduce labour market segmentation, upskill and reskill the labour force, increase labour market participation, including vulnerable groups, and strengthen the links between education, training, and the labour market. All subsidy programs include retain clauses up to 1/3 of the implementation period.

Several sub-projects are already in the phase of implementation. These include a **targeted employment program in critical long-term unemployment areas**; it subsidises the creation of 10,000 new jobs in the private sector for long-term unemployed (LTU) workers of ages 45 and above in targeted geographic areas that consistently rank among the highest unemployment-rated areas in Greece. Another targeted employment program is for **special populations with high barriers to labour market (re)entry**; it will subsidise the creation of 10,000 new jobs in the private sector for workers facing the highest barriers to labour market reentry, including victims of domestic abuse, unemployed mothers returning to work after raising children, LTU over 24 months, unemployed workers over the age of 55, formerly incarcerated individuals, completers of drug rehabilitation programs, persons with disabilities, persons with very low education levels, etc. The program will run in two cycles. The first cycle will cover 7,000 persons for 1 year, while the second cycle will cover 3,000 persons for 2 years and include the "hardest-to-serve" populations who require longer periods of subsidised employment to re-enter the labour market on a permanent basis. There is also a **short-term work experience program for younger unemployed workers (ages 18-30)** that will provide fully subsidised 7-month paid internships in the private sector for 10,000 younger unemployed workers up to 30 years of age, who need hands-on experience to become more employable in the labour market.

More programs are scheduled to launch in Q2 2023: The first program targets **15,000 unemployed individuals aged 25-45**, offering a comprehensive package that includes upskilling and reskilling activities, as well as a short-term employment subsidy. The program's objective is to address the low participation rate of adults in learning activities. The second program aims to provide **counselling, training, employment, and entrepreneurship opportunities for 22,500 unemployed individuals from**

**areas with specific labour characteristics.** The program builds on the success of a pilot program that was implemented in Elefsina in 2018. The third program focuses on **enhancing the counselling skills of the current counsellor corps to better serve the unemployed and employers.** This program is currently in an open competition process, and the offers are being evaluated. Lastly, the **Green Jobs Initiative** targets the creation of 5,000 new jobs in businesses that operate or shift towards the green sector. The program emphasises supporting unemployed women by providing higher subsidy rates compared to other unemployed persons.

All of the abovementioned programmes are run by DYPA. In order to boost short-term capacity and successfully implement these programmes, DYPA proceeded with the **hiring of short-term staff as employment/employer counsellors** for a transient period of 4 years and counsellor training, aiming to handle the increased caseload due to the effects of the pandemic on the labour market and the need to support the transition to employment, including job search, subsidised employment, soft skills and training, etc. There is also a broad and cohesive **communication and publicity program** aiming to effectively promote the Active Labour Market Policies to achieve the maximum results in terms of outreach and program performance.

### **Part C - Not RRP related**

As the pandemic subsidies, specific programmes enacted to support employment against the pandemic effects concluded in 2022. The **SYN- ERGASIA scheme**, which since its launch in June 2020 allowed eligible employers to reduce the working hours of their full-time workers by up to 50% while the latter received state financial support for short-term employment 60% of their net salary, ceased on May 31st 2022. In the last two months (April and May 2022) more than 56.200 employees participated in the programme. Another pivotal intervention to boost employment since October 2020 was the **Open Program of 100,000 new subsidised jobs** (expanded by 50,000 jobs since January 2022). The program subsidises all social security contributions (for both employers and employees) regardless of the employee's monthly salary including contributions for Easter, Christmas, and leave allowances for six months, in private sector companies regardless of industry and business activity. In case the new recruitment is a long-term unemployed person registered in DYPA, they receive a further €200 subsidy on their net monthly salary by the state budget. The program's progress has been monitored and evaluated on a regular basis through the ERGANI system. The total entries to the program as of March 2023 were 153,818, out of which 2,016 were simultaneously enrolled in **PROTO ENSIMO** (a program facilitating the first entry of persons aged 18-29 into the labour market by providing six months of subsidies to both employers and employees). Between April 1<sup>st</sup>, 2022, and December 31<sup>st</sup>, 2022, 25,779 individuals were hired through the program, and as of March 1<sup>st</sup>, 2023, 3,781 persons were still employed in companies that hired them through the program. More detailed information is provided on Table 1 –2020 CSR 2, subpart 1

**PROTO ENSIMO** has been a program facilitating the first entry of persons aged 18-29 into the labour market by providing a six month subsidy of €1,200 (600 for part- time employment) shared equally to



the employer and the new employee, hence promoting the creation of new jobs in the companies of the private sector. The programme was modified in June 2022, increasing the total subsidy to €3,600 (€1,800 for part-time). Since last year, monitoring and evaluation of the program has been conducted on a regular basis through the IS ERGANI. The number of young persons aged 18-29 who were hired by Proto Ensimo from 01.01.2022 until 31.12.2022 (last day for entering into the programme set by Laws 4855/2021 and 4941/2022), count to 7,482 young persons. On 01.03.2023 there were 1,472 young persons (out of the 7,482 entries) who were still employed in the companies that hired them through the programme. More detailed information is provided on Table 1 –2019 CSR 2, subpart 7

Another important measure was recently introduced by L. 4997/2022 with the aim of increasing the number of people employed on full-time contracts, by providing **incentives to private sector companies for converting part-time contracts to full -time**. Companies with a number of part-time employees that exceed 50% of the personnel get a 40% subsidy on social security contributions for each part-time contract turned to full-time, provided that they retain at least the same number of employees. The programme was launched on March 6<sup>th</sup> 2023 and will run until the end of 2023.

Programmes have also been set up to help workers and industries affected by natural disasters or the repercussions of the war in Ukraine, like the **Special purpose compensation for employees working in companies affected by the floods** of October 2022 in Crete. Companies affected by the floods could suspend the employment contracts of some or all of their employees for up to three months, until the damages caused due to the weather phenomena were repaired, provided that they do not dismiss any staff during that time. Employees under suspension were entitled to financial support in the form of a special purpose compensation of €534 per month. The measure ended in January 2023. In similar terms with the previous action, the **Special purpose compensation for employees working in companies in the fur industry** has been implemented since July 2022 and is still ongoing aiming to provide financial support to employees working in companies of the fur industry and affected by the consequences of the war in Ukraine. These companies can suspend the employment contracts of up to 80% of all their employees, for each month from July 2022 until March 2023 (the measure is going to be extended until June 2023). More than 400 employees receive the special purpose compensation each month.

Last but not least, for the **Integration of persons from certain special categories into the labour market**, i.e. persons with disabilities, relatives of persons (child, sibling, or spouse) with disabilities, 14 recruitment calls for 2.000 positions in the public sector were issued in 2021. The results for 11 calls were issued between January 2023 and March 2023, and the processes are expected to be completed within 2023, to cover a total of 434 positions with eligible candidates. The results of 3 more calls which amount to 1.120 positions are expected within 2023. More detailed information is provided on Table 1 – 2019 CSR 2, subpart 7.

### 3.4. Supporting people getting into work in a systematic manner, with incentives to work, job creation, labour market participation and effective activation support

#### Part A - Introduction

In addition to the abovementioned active and passive labour market policies supporting workers and job-seekers in Greece, especially those in more precarious conditions, the Greek Government also promotes structural reforms that seek to strengthen labour relations through the implementation of digital systems that promote accountability and transparency. The recent significant rise of minimum wage above inflation rate, and the extension of the digital work card to a growing number of sectors of the economy, are just a few out of many examples. At the same time, the equal participation of women in the labour market is set as a priority, coupled with reforms to balance the professional and family life. Towards achieving this goal, key projects are launched, including the creation of childcare units in 120 large companies, and the implementation of the "Neighbourhood Nannies" action supporting parents that work, especially mothers.

#### Part B - RRP related

One of the key pursuits of the Public Employment Service (DYPA) is to increase its capacity to provide continuous and personalised support to jobseekers. With that goal, a new organisational and governance model for DYPA has been introduced, followed by a new logo and branding strategy. The redesigning of the local DYPA branches (KPA2) is underway while a new cohesive communication strategy aimed at promoting the new organisational principles effectively is about to begin in 2023. Also, in the next months the specifications for the development of a modern customer satisfaction mechanism, and for the implementation of a new strategy for providing modern counselling services (as derived from technical assistance provided within the context of DG Reform) will be defined.

Additional measures are being taken to address the gender employment gap and women's and new parents' participation in the labour force; following the operation of DYPA's 26 Nursery Schools in the previous period, one prominent action involves the **creation of childcare units within large companies**. The project aims to expand access to childcare services as part of the workplace within 120 large companies, providing mothers with the flexibility to pursue opportunities that can safeguard their employability and enable career advancement. The regulatory framework for the project was issued between April 2022 and March 2023, and amendments to the project have been integrated into the RRF. An information system platform has been implemented to facilitate beneficiary applications, and a public call for applications was issued in February 2023. The first round of the program, which includes funding for childcare units for 70 companies, is expected to be completed by the end of 2023, with a second call for invitations for 50 additional beneficiary companies scheduled to be issued in Q3 2023.

In addition, Greece is also running the **Subsidy Program for Early Childcare Centers**. This program aims to subsidise the creation of new early childcare centres or new places in existing centres for babies aged 2 months to 2,5 years old. By providing specialised care and cognitive development support, this

initiative will enable mothers and fathers to return to work reassured. An invitation/call will be issued to the private and public sectors to submit their application for subsidising their investments for the creation of new early childhood centres for babies or for the creation of new or more places for the same age group in the existing early childhood centres.

Additionally, **the Diversity Awareness** project seeks to raise awareness of the various dimensions and benefits of diversity in the workplace by issuing a new data-based corporate management framework and developing and delivering training programs for all employees in both the private and public sectors. The goal is to approach and manage diversity in both internal and external working environments. Institutional and legislative frameworks for the project were already established by April 2022, and a working group with representatives from all the General Secretariats and involved agencies has been formed to select and co-decide on the design of the training modules. An international public tender for contractors was issued in January 2023, and proposals are currently being evaluated. A contractor will be assigned to design the main core of the project, with training planned to begin in July 2023. By the end of December 2023, education of 680,000 trainees is scheduled to have taken place. From July 2023 to June 2024, a communication campaign for the project will be deployed in media, press, and television.

#### **Part C - Not RRP related**

A number of policies address precarious work, combat undeclared or under-declared work and provide security and transparency. Regarding the statutory **minimum wage**, starting from April 1st, 2023, a new increase of 9.4% for 2023 has been implemented. As a result, the minimum wage has increased to €780 from €713. The **Digital Work Card** has been implemented in banks and supermarkets since last summer, while it was extended to the insurance and security companies in February 2023. The extension of the reform to public sector companies is now being implemented, followed in the next phase by industry, tourism and catering. More than 150,000 workers are employed in sectors where the Digital Job Card is already in place, while the employees in public utilities, to which the measure will be immediately extended, are approximately 18,000. Moreover, The **Hellenic Labour Inspectorate** is officially, since February 2023, an independent administrative authority aiming to ensure the application of labour legislation, inspecting for, on the one hand, the labour rights and, on the other hand, the safety and health of the workers. In the same direction, Greece adopted the **National Strategy on Health and Safety at Work (2022-2027)** and has also completed the **codification of individual labour law**, and proceeds now with the codification of collective labour law.

Addressing gender inequality in the workplace, **Greece adopted ILO's Violence and Harassment 190 Convention, in 2021**; since then, according to the Labour Inspectorate, 248 complaints were filed and the majority of them came from women. Furthermore, the **Greek National Action Plan for Gender Equality 2021-2025** will continue to be implemented in 2023, with the electronic mapping of project progress and the related information workshops. An important step towards addressing the gender employment gap is the **Gender mainstreaming in public policy and budget processes** initiative, which includes Gender Budgeting (GB) and aims to strengthen the capacity for gender-sensitive recovery by

introducing technical proposals for Gender Impact Assessment (GIA) in central public policies and budgets. This initiative is included in the funding provided by the EU TSI program, and the project is expected to be concluded by June 2024, resulting in a concrete technical proposal for GB and GIA that targets the specific policies set by the action plan.

Another significant project is **SHARE - Promoting work-life balance in companies and better sharing of care between men and women**. The program aims to establish an "Equality Label" award for companies that implement gender equality policies. The project ended in May 2022 with the SHARE Gender Equality Label award ceremony, and the next important step is the forthcoming Ministerial Decision concerning its implementation methodology and structure, followed by the launch of the Gender Equality Label annual cycle by the end of 2023.

A series of reforms aimed at balancing family and professional life is currently underway. The **Neighbourhood Nannies** project has a twofold goal: on the one hand, to support and facilitate parents, especially mothers, so that they can achieve full reintegration into the labour market and continue their professional careers after having a child, and on the other hand, to reduce undeclared work by encouraging unemployed women to work as certified child-carers according to specific criteria. To ensure the safety of services provided to infants and toddlers aged 2 months to 2,5 years, the GSDFPGE has set up an electronic "Childcarers' Registry." The pilot project is under way in 61 municipalities, and is about to expand to 10 large municipalities. To reach a larger number of childcarers, free e-training sessions and evaluations are available through the existing platform [nantades.gov.gr](http://nantades.gov.gr). The project's pilot implementation period ends in July 2023 and the evaluation of the programme will follow. More detailed information is provided on Table 1 –2020 CSR 4, subpart 1

### **3.5. Poverty reduction and social protection/inclusion in a systematic manner**

#### **Part A - Introduction**

Greece continues to pursue reforms concerning social protection, inclusion and poverty reduction, focusing on vulnerable groups and the areas affected by de-lignification. Specific measures have also been introduced to increase the disposable income of specific categories of taxpayers, through the reduction of the tax burden. Furthermore, the government is now addressing in a systematic manner the high housing cost through a cohesive housing policy facilitating the acquisition of housing for young people and combating homelessness for the most vulnerable groups, while at the same time supporting vulnerable debtors by protecting their primary residence. Furthermore, deinstitutionalization and independent living is pursued through initiatives such as the placement of minors with severe disability in the care of professional foster carers, the transfer of adolescents from child protection units to supported independent living apartments, and a long-term care reform for the ageing part of the population, with ROMA inclusion remaining a priority. Moreover, initiatives such as the National Strategy for Integration of Third Country Nationals legally residing in Greece, continue to play a vital role in facilitating the access to the labour market and services, as well as the protection of economic, social

and cultural rights for the most vulnerable, whereas the competent National Authority for the overall protection of accompanied minors has also developed a National Strategy regarding the protection of unaccompanied minors, while enforcing the termination of protective custody and increasing the long-term accommodation capacity by 60%.

#### **Part B - RRP related**

Greece continues its efforts towards implementing the **Social Reintegration of the Most Vulnerable Groups** program. The aim of this program is to help Guaranteed Minimum Income beneficiaries and homeless people reintegrate into the labour market through a comprehensive upskilling and employment program. The next steps for this program include a) prioritising the most vulnerable based on criteria predetermined by the Ministry of Labor and Social Affairs, b) finalising the training/employment/2<sup>nd</sup> professional opportunity programs based on the participants' characteristics, and c) implementing the program through a call for applications from April 2023 to March 2024.

With the same target group, the **Social Housing for the Most Vulnerable Groups** program aims to provide housing support to the most vulnerable groups facing homelessness. A working group has been established to develop the main pillars for implementing this program. The next steps for 2023 include a) recording private and public housing stock (May 23 - Dec 23), b) renovating social housing apartments (Jan 24 - Dec 24), c) selecting beneficiaries (Nov 24 - Mar 25), d) implementing the social housing program (Mar 25 - Jun 25), and e) evaluating the program (Sep 26 – Dec 26).

Another important initiative towards the simplification of access to social benefits and the provision of information is the **Single Digital Access Portal to Social Protection and Digital Transformation of the Social Solidarity Welfare Benefits Organization (OPEKA)**. This project will contribute to increasing the efficiency of the benefit system, combating fraud, and saving resources by maintaining different information systems. Currently, the technical specifications are being finalised. The next steps involve necessary regulatory interventions, contracting the development of the electronic platform, and gradually implementing the subsystems such as the application subsystem, supervisory subsystem of social care providers, and Complaints and Controls Information subsystems.

Moreover, the **Transfer of adolescents from Child Protection Units (CPUs) to Supported Independent Living apartments (SILs)** aims to deinstitutionalize the adolescents of Child Care Units and support them to develop self-sustainability capacity and gradual autonomy to ensure a smooth transition to adulthood and integration into society. It also aims to support the skills development that can enhance the employability of minors aged between 15 to 18 years of age living in Welfare Child Care Units. In the context of the SIL pilot project, two apartments are currently operational, and an application for a third one has been submitted. The Joint Ministerial Decision for the implementation of the program has been published. An open-call procedure addressing public entities and private civil society entities will be issued for the selection of the program's implementing body/bodies, following the above-mentioned JMD. The transfer of minors to Supported Independent Living apartments (SILs), located in urban areas, with a capacity of up to 4 people, will be completed by December 2023.

On deinstitutionalisation, the **Placement of Minors with Severe Disability (over 67%) and/or Severe Mental Disorders, in the Care of Professional Foster Carers** program aims to provide foster care placement for children with severe disabilities and create incentives for foster carers to accelerate the social inclusion and gradual autonomy of these children on a case-by-case basis. The institutional framework for implementation has been set, and all children with certified disabilities are registered in the Information System of Foster Care and Adoption (ANYNET). The next steps for 2023 include a public awareness-raising campaign, issuing an invitation/call for professional foster carers by the Social Solidarity Welfare Benefits Organization (OPEKA), and creating a Digital Registry for the Professional Foster Carers.

Furthermore, in an effort to adequately address the increasing demands due to the large influx of asylum seekers, Greek authorities digitalized and accelerated asylum procedures, by establishing a new institutional framework, as well as expanding and upgrading the “ALKYONI” digital system. The trial implementation of ALKYONI II will start in May 2023 and by this the digitalization of all stages of the asylum granting process will be fully achieved. As a consequence of the abovementioned actions, a significant acceleration of asylum decisions was accomplished, leading to a major reduction of pending cases. It is worth mentioning that the first goal to reduce the average time for issuing a decision at the first instance level of the asylum procedure to 25 days and 60 days at the second instance level, was reached on 6/30/2022. For the year 2023, the goal is to further reduce the average time at the second instance to 45 days. A significant part of the **digitization of reception and asylum procedures**, as well as the upgrade of the open accommodation facilities in the mainland (in terms of safety and the provision of digital services), is funded by the Greek RRP.

In addition to the above, the Greek RRP will take a leading role to **promote labour integration and professional development to refugees and legally residing migrants** in eight (8) different sectors: the agricultural, construction and tourism sector, female employment, protection services for vulnerable groups, empowering third country nationals to prevent and adequately respond to human trafficking and, finally, in the field of environmental and civil protection. In the above-mentioned sectors, through its sub-projects, the action includes: mapping of the educational and professional profile of the beneficiaries, language and intercultural training, job counselling, professional training, internship, certification of professional skills and information awareness campaigns. The implementation of the action started within the year 2022 on the basis of a Programme Agreement with the International Organization for Migration-IOM (Implementing Body). The Action will last three (3) years, providing services to 18,000 beneficiaries. Over the past year, 130 beneficiaries have benefited from the provided training. The full implementation of the action will start in the second semester of 2023.

Moreover, the Greek RRP supports through specific reforms and investments **the economic and social transition as well as territorial cohesion and convergence of the coal-dependent areas**. Regarding Just Transition Areas, the measure **“Revitalization actions of the most affected territories (Just transition territories)”** covers the cost of the rehabilitation works in old mines areas (Western Macedonia and

Megalopolis), which is expected to mitigate part of the negative effects of de-lignification. The restoration works prepare the necessary areas in order to facilitate future investments and financial activities. A Greek State SPV, which has been established by the L. 4872/2021 under the company name “METAVASI SA”, will be the new rightful owner and land developer of the transferred lignite areas. The Framework Agreement of par. 4 of article 155 of L. 4759/2020, which determines among others the geographical areas to be transferred from the Public Power Corporation to the State, was signed, ratified and entered into force by the issuance of L. 4956/22 (OJ A’ 140). Additionally, the relevant Share Purchase Agreement (SPA) was signed between the contracting parties (PPC SA and METAVASI SA). The next steps include: a) the approval of the Special Urban Plans and b) the notification of the award of contracts for the land rehabilitation in Western Macedonia and Megalopolis. Further details regarding this investment are provided within the framework of the challenge “Promote private investment to foster the economic recovery”.

### **Part C - Not RRP related**

It is important to note that employment programs have been implemented to address the challenges faced by workers affected by the **transition of lignite-independent areas** with Employment Promotion Programmes backing around 3,400 beneficiaries. Also, the **Housing and Work for the Homeless Program** aims to provide rent subsidies for 24 months to 600 households or 800 beneficiaries by December 2023, along with other support services. **Minimum wage** rise, already cited in more details above (ch.4), aims at addressing in-work poverty.

**Social housing** is being re-established in Greece through a number of new programs, with the aim of supporting, among others, young couples and individuals aged between 25 to 39 years old. Three sub-projects have been designed, either launched or about to be launched within Q2 2023: a) The ‘Spiti mou’ (My Home) program, which offers low interest or interest-free loans for the acquisition of a first house for residence; b) The Social Housing Compensation Scheme stipulates that private contractors erect, at their own expense, buildings on undeveloped public property that they can exploit for a certain period of time with the obligation to rent part of it to beneficiaries for a predetermined rent; c) The ‘Kalipsi’ (Coverage) program aims to utilise previously used apartments by beneficiaries of international protection in the context of former programs ESTIA II and ESTIA 2021 for housing persons belonging to vulnerable social groups. The smaller-scale programs “Exoikonomo - Anakainizo” and “Exoikonomo-Enoikiazo” will eventually complete the array of new policies concerning young couples and individuals who wish to renovate their place of residence or their house for renting reasons to use it as an income add-on. More detailed information is provided on Table 1 –2020 CSR 3, subpart 5

The new **National Strategy and Action Plan for Roma Social Inclusion 2021-2030** aims to remove the conditions of social exclusion of Roma, based on a holistic approach. Basic interventions implemented within the framework of the strategy include systematic mapping of the Roma in Greece, improving their living conditions, strengthening regional and local self-government for the implementation of targeted interventions for the social integration of the Roma, and empowering children for inclusion and their school attendance. To ensure the successful implementation of the strategy, a Government

Committee has been set up with the participation of all relevant Ministries to coordinate actions and prioritise actions. Additionally, an Advisory Committee for the Roma was established, with the participation of competent administration bodies and representatives of Roma organisations, to submit proposals to the Governmental Committee for addressing the challenges of the social integration of the Roma. More detailed information is provided on Table 1 –2020 CSR 4, subpart 1

The **New National Strategy for Social Inclusion and Poverty Reduction** was completed in November 2021, which includes goals, political priorities, implemented and planned programs/actions of both the MoLSA and the 11 co-competent Ministries for the new programming period. The process of monitoring and evaluation has begun by the national and local level bodies of the National Mechanism for Coordination, Monitoring and Evaluation of social inclusion and social cohesion policies, and the five thematic working groups of the Secretary General for Social Solidarity and Fight Against Poverty that are supporting bodies for consultation and monitoring of the National Strategy.

A key intervention in fighting poverty, especially among children, is the **School meals programme**, a food provision program which was introduced in 2017. It is funded by MoLSA and is operationalised by private contractors who deliver the meals directly to the schools. The contractors are selected by OPEKA which is responsible for the management. The program is gradually expanded each school year. In the current school year 2022-2023, 1,629 schools with 207,514 pupils have been included in the programme, while the programme will continue in 2023-2024.

Moreover, **the Just Transition Program (JTP) of Greece** is using the EU's new Just Transition Mechanism (JTM) to address the wider social, economic, and environmental impacts in regions (W. Macedonia, N. Aegean, S. Aegean, Crete, the municipalities of Megalopolis – Tripoli - Oichalia and Gortinia in the Peloponnese region) where employment and income are heavily dependent on fossil fuels or emission intensive industries, to support and assist the implementation of the de - lignification commitment and the consistent implementation of a targeted set of relevant actions, to accomplish the specific timetable for the phasing out the lignite mining and power generation from its combustion, to meet the energy needs of the islands with RES and to export excess clean energy to the mainland. **The JTP Greece (2021-2027) has been activated**, following the launch of calls for proposals for the funding and selection of projects under Priorities 1- Strengthening and Promoting Entrepreneurship and 4 - Just Labor Transition of the JT Program. Priority 1 prepares the right business environment, promotes the innovative transformation of existing businesses and helps to attract new investments to diversify the productive model of the regions. Priority 4 aims to address the socio-economic consequences of transition through interventions to adapt human resources to skills and occupations related to new productive activities. To date, eight (8) calls for proposals have been launched under Priorities 1 and 4. Furthermore, seven (7) new calls for proposals under priorities 1, 2 -Energy Transition - Climate Neutrality, 4 and 5-Small-scale Integrated Interventions are expected to be launched by the end of Q4 2023, leading to the selection of at least twenty (20) new projects. In addition, four (4) new calls for proposals related to priorities 2 and 4 are expected to be issued by the end of Q2 2024, leading to the selection of at least eight (8) new projects. The forthcoming proposals aim to initialise the development of the Innovation Zone in W.



Macedonia, the supercomputer in W. Macedonia, the Bio-economy HUB in Megalopolis, the improvement of the competitiveness of SMEs and non-SME's as well as the creation of new enterprises, thus sustainability and new jobs, the creation of eco-industrial areas with green and symbiotic functions, energy upgrading (individual or through energy communities), support for the installation of long-term clean energy storage systems, support for urban and rural interventions in the regional units of Kozani and Florina, Mun. Megalopolis and the islands and a plan of integrated development actions for the "GR-eco islands", promotion of employment, training and retraining of human resources, etc.

Greece acquired a technical support project named **“Support to the implementation of the Just Transition in Greece”** in the context of TSI2022 in order to identify the best **methodology and procedure for the use of the financial possibilities of Pillars II and III of the European Just Transition Mechanism (JTM)**. The project was activated by the signature of the contract on 20/12/2022. The technical assistance aims to enhance the administrative capacity of the newly established JT entities, with focus on procedures and other prerequisites related to the on – time activation of resources under Pillars II and III of the JTM. In particular, the approved technical assistance includes among others: i) an investment plan for Pillar II (PPP) and Pillar III interventions, which will encompass good quality projects thus increasing their potential for selection by the EIB and CINEA and ii) a project pipeline of eligible Pillar II projects that will intrigue eligible financial institutions to become implementing partners. According to the contract, the next important deliverables are the diagnostic report including market research and identification of projects on 07/07/2023, the detailed implementation monitoring plan for the interventions supported by JTM on 22/12/2023, the manual of procedures on 16/02/2024, the capacity building trainings on 12/04/2024, the report with recommendations and best practices on 12/04/2024 and the final report on 10/05/2024. More detailed information is provided on Table 1 –2020 CSR 4, subpart 1

**A number of co-financed projects are in progress under the Partnership Agreement 2014-2020, which aim among others to poverty reduction and social inclusion.** In the reference period (01/04/22-31/03/2023): i) 30 new calls for proposals, with a total budget of 566,79 m euros have been issued by the Programme “Human Resources Development, Education & Lifelong Learning” 2014-2020, targeting areas such as unemployment and youth unemployment, education and social inclusion; ii) 12 new calls for proposals were issued for the Programme "Competitiveness, Entrepreneurship and Innovation 2014-2020" of a total budget of 178.1 m euros and iii) 26 new calls for proposals were issued for the Programme "Transport Infrastructure, Environment and Sustainable Development 2014-2020" of a total budget of 248 million euros.

**Regarding the Partnership Agreement 2021-2027**, the E.C. approved among others, the Programmes "Competitiveness", "Transport", "Environment and Climate Change" and “Civil Protection” (Q3 2022), the first Meetings of the Monitoring Committees took place in Q4 2022, where the selection criteria and methodology for the calls were approved. The first calls for proposals have already been issued under these Programmes (7 calls, 1.1 bn). The Programme “Human Resources and Social Cohesion 2021-2027”,

has been approved by E.C. (Q2 2022) and supports actions mainly in education, employment and material deprivation. The first Meeting of the Monitoring Committees took place in Q4 2022, where the selection criteria and methodology for the calls were approved. The first calls for “Human Resources and Social Cohesion 2021-2027” will be issued within Q2 2023.

As regards **asylum seekers**, Greece is fully in line with the provisions of the Directive 2013/33/EU, which enables applicants for refugee status to reside in state run facilities funded by EU and national resources. Furthermore, decent living conditions and free access to medical care (primary and secondary) is ensured to all asylum seekers, as well as financial assistance on a monthly basis. For the purpose of tackling a large-scale influx of asylum seekers, the Greek authorities took also the initiative to establish new secure reception facilities in the 5 Aegean Islands and the northern land borders with Turkey (Evros), replacing the old Reception and Identification Centers (RICs) with innovative and safe EU-funded Controlled Reception Centers that ensure decent living conditions. Currently 3 out of 5 new reception facilities are fully operational and the two remaining will be completed and running by the end of 2023. The competent Authority, the Ministry of Migration and Asylum has also focused on capacity building in its staff, in an effort to better address the continued influx of asylum seekers (introduction to vulnerability, specific modules on reception and vulnerability, reception of vulnerable asylum seekers, identification and response to racist violence, presentation of a pocket guide to support gender-based violence survivors, training of first responders to trafficking in Human Beings, communication with persons who have experienced traumatic events, operation of a Help Desk/ Call Center etc). The aforementioned trainings were conducted from 01/04/2022 to 31/03/2023 and are continuous. More detailed information is provided on Table 1 –2020 CSR 2, subpart 2

As far as **beneficiaries of international and subsidiary protection and legally residing migrants** are concerned, the Greek State provides access to social welfare without discrimination such as the guaranteed minimum income. Furthermore, Greece has adopted free health care policies with the aim to reduce the financial barriers. In this respect, the right to free access to primary, secondary and tertiary health care is also guaranteed for refugees and legally residing migrants, even if they are unemployed. More detailed information is provided on Table 1 –2020 CSR 1, subpart 3.

With respect to the homeless **unaccompanied minors (UAMs)**, an emergency accommodation mechanism (NERM) has been established, which is operating very successfully. NERM stands also as a preventive measure against gender based violence, including trafficking by offering immediate intervention and protection to unaccompanied children living in precarious conditions. Furthermore, the Greek State designated the International Organization for Migration (IOM) to undertake the establishment and operation of 240 places in emergency accommodation facilities (UAC), which provide complete case management services, including psychosocial, legal and medical support, referrals to long term accommodation and assistance to the asylum procedure. Currently, 2,275 long term facilities and Semi-Independent Living (SILs) facilities are in place, exceeding the total number of unaccompanied children residing in Greece (2,219). Furthermore, in July 2022, the Greek Parliament adopted Law

4960/2022 on the establishment of a national guardianship system for unaccompanied minors and their comprehensive accommodation, embracing an approach which is based on ensuring the rights and the best interests of the minors.

As regards labour integration of third country nationals and especially that of recognized refugees, it still constitutes a significant challenge for Greece. Consequently, as a key priority Greece has adopted a holistic approach on integration based on EU standards, the **National Strategy for Integration**. In this respect, the Manpower Employment Organization (former OAED) which is the public authority and central structure managing Active Labour Market Policies addressed to the general population, implements similar projects adapted to the needs and specific profiles of Third Country Nationals residing in Greece. Moreover, an innovative initiative was the foundation of the Migrant Integration Centers, which operate as branches of the municipal “Community Centers”. Up to now, there are 11 Migrant Integration Centers operating in 11 different municipalities countrywide, providing a large range of services to third-country nationals who reside legally in Greece (information, counselling regarding social integration and social networking issues, courses on Greek language, history and culture, intercultural activities, activities that facilitate third-country nationals' access to labour market etc). As regards the new programming period 2021-2027, the Social Integration Directorate of the Ministry of Migration and Asylum aims to increase the number of Migrant Integration Centers to 32, in various municipalities, while enhancing the services provided.

In addition to the above, Greece has adopted a holistic approach, providing not just access to the labour market, but overall integration into society in all sectors of everyday life (housing, education, intercultural contact etc.) to recognized refugees through the **HELIOS integration programme**. The project is being implemented since June 2019 and aims at promoting integration of beneficiaries of international and temporary protection currently residing in temporary accommodation schemes into the Greek society, through accommodation and employability support, integration monitoring and sensitization of the host community. In total 43,937 refugees enrolled since the beginning of the project, 22,070 refugees used HELIOS rental subsidiaries and 19 Integration Learning Centers were established throughout Greece. Since June 2022, according to an amendment of the relevant agreement between the Ministry of Migration and Asylum and the International Organization for Migration, the target group of the HELIOS integration program includes not only beneficiaries of international protection but also of beneficiaries of temporary protection for the purpose of including Ukrainian citizens fleeing the war. Furthermore, employability support has become a core component to the project, where several relevant actions have taken place, such as “career days”, workshops, conferences etc.

In the same manner, the Ministry of Migration and Asylum, through the Social Integration Directorate, is a partner at the **Consortium Agreement "Breaking silos, promoting young TCN women's access to targeted vocational training and labour market opportunities through social economy"** which is implemented since the beginning of 2022 and will last until the end of the year 2023. Through a gender-sensitive and multi-stakeholder approach, the project aims at reducing the structural and cultural

barriers faced by TCN women in accessing vocational training and employment opportunities. The project focuses on refugee women aged 18-35 in the 3 most affected by migrant flows EU countries (Greece, Italy, Spain) and 2 countries with positive and critical approach to integration (Portugal, Hungary), offering integrated services, advanced language courses, targeted vocational training and employment support through a 7-month pilot programme in social economy, a sector with enhanced potential for integration.

Greek authorities have also adopted a variety of measures to **increase the disposable income** of specific categories of taxpayers, and -in alignment also with the country-specific recommendations (CSRs) for Greece- extenuate the tax burden on the self-employed. With the aim to support the arts and culture, taxpayers, artists, creators, art and culture professionals, and craftsmen are fully or partially exempted from the obligation to pay "business registration fee" for the tax years 2022-2024. Another measure in the same direction is the extension, for farmers and coastal fishermen, of the exemption from the obligation to pay the "business registration fee" for tax year 2022. Similarly, farmers under the normal regime, as well as the coastal fishermen, under certain circumstances, are exempted from the obligation to pay "business registration fee" for the tax year 2022. Furthermore, an exemption from the "business registration fee" is provided for business individuals and small businesses, with gross revenues of up to 2 million euros per year, in case they increase the average annual number of full-time employees for at least a period of three months per year). Also, concerning more broad categories of taxpayers, the abolition for all of the special solidarity contribution, starting from 1.1.2023, is an essential measure to shield citizens' income and increase incentives for higher labour market participation. Also, greater fairness and economic efficiency has been achieved through the completion of the ENFIA property tax reform (L.4916/22) which caused an additional 13% average tax reduction for physical persons, leading to approximately 35% total average reduction for the period 2019-2022. Additionally, the following provisions are extended until December 31, 2023: a) the reduced VAT of 13% in passenger transportation; coffee; dining; non-alcoholic beverages; gyms; swimming pools; dance studios; zoo tickets; and tourist packages. b) reduced VAT of 6% in a series of goods related to public health, in defibrillators and on cinema tickets. Lastly, the suspension, until 31.12.2024, of the imposition of VAT on new buildings contributes to the support of relevant business sectors of the country that have been particularly affected by the economic crisis. The next steps concern the implementation of the already voted tax legislation.

Furthermore, the **Performance Contract of OASA**, which outlines specific obligations of the OASA Group (Athens Urban Transport Organisation) regarding partial or full exemption from fare to defined groups of beneficiaries (such as free access or discounts to the unemployed, disabled individuals, and large families, university and VET students, etc.), was signed in December 2021 as part of the social policy pursued by the Greek State. A Joint Ministerial Decision (JMD) was issued in April 2022, outlining the compensation amount (€ 40.4 million) for the first half of 2022, as well as the payment process. A second JMD was issued in December 2022 outlining the compensation for the rest of the fiscal year. By the end of 2022, OASA received the entire contract amount for 2022 that summed up to 83.4 million euros (not incl. VAT). Following up, within the framework of the HCAP Coordination Mechanism, the

involved parties shall update the data and the assigned special obligations, according to the Performance Contract and the respective legislation, detailing the contract amount for the upcoming fiscal year 2024. More detailed information is provided on Table 1 –2019 CSR 1, subpart 1.

Additionally, a legal entity in the private sector will be appointed by the State as the exclusive **Sale and Lease Back Organization (SLBO)** operating in Greece, following the completion of an international open tender process. The purpose of the SLBO is to protect vulnerable debtors' primary residence from enforcement actions, while enabling them to establish an arrangement with the SLBO for leasing their primary residence, including a buy back option. In this context, eligible debtors will have the option to transfer their primary residence to the SLBO and lease it back for a period of up to 12 years. The Sale & Leaseback Organization will acquire the primary residence paying an acquisition fee. At any time during the lease period, the debtor may buy back their residence. In the meantime, and up to the activation of the SLBO, the design of an intermediate program for the protection of vulnerable debtors has been completed and is being implemented, as Law 4916/2022 (concerning the Public Contribution Scheme to vulnerable debtors until the transfer of their residence to the acquiring and lease-back institution) was put in force. Furthermore, the procedure for the publication of the Joint Ministerial Decision concerning the details of the payment of the State contribution has been finalised. The platform for the support of the program is operational and the first payments to the beneficiaries, through the Public Contribution Scheme, have taken place. In addition, the invitation to tender for SLBO was released. The process is ongoing and 5 preselected investors have been invited to participate in the Competitive Dialogue. The most important next steps include the completion of the Competitive Dialogue, the Publication of the Ministerial Decisions, the submission of binding offers, the selection of the preferred bidder by the tender committee and the signing of the Concession Agreement with the preferred investor. Finally, the Concession Agreement will be ratified by the Parliament. More detailed information is provided on Table 1 –2022 CSR 2, subpart 3.

Moreover, the **State subsidy scheme ("Bridge 1")** aims to provide aid to borrowers with loans encumbered with primary residences, who have been affected by the coronavirus pandemic, in order to make it easier to repay their loans and thus protect their main residence. Within the reference period, a percentage of 94% of the applications submitted, received the 12-month subsidy. At the same time, a percentage of 90% of fully subsidised applications successfully completed the follow-up period. The total amount of state subsidy paid to the beneficiaries by the end of March 2023 amounts to EUR 254 million. In the next period, the completion of the subsidy for the 100% of the submitted applications and the completion of the planning of audit procedures for the subsidised applications will take place.

Lastly, a program was voluntarily implemented by the Greek banks, as an **additional support scheme for vulnerable debtors**. The program aims to subsidise a part of the increase in the interest rate of the loans to vulnerable borrowers who are not in default, in order to make it easier for them to service their loans and thus reduce the probability of NPL increases. The subsidy is provided to the vulnerable borrowers exclusively by the banks. Under the program, 50% of the interest rate increase is subsidised by the banks (with reference date for the calculation of the increase on June 30th 2022) for a period of 12 months.

Concerning progress, the submission of the applications for the issuance of the relevant vulnerability certificate by the potential beneficiaries of the program has started since February 1st 2023. The payment of the subsidy to the beneficiaries has started in April 2023 and the deadline for the submission of the applications by the potential beneficiaries of the program is expected to last until July 31st 2023. More detailed information is provided on Table 1 –2020 CSR 4, subpart 1.

### **3.6. Safe and sustainable transport and logistics to foster the green economy**

#### **Part A - Introduction**

Transitioning to green and sustainable transport remains a key challenge for Greece. Both under the RRP framework and beyond, the Greek administration has designed a number of reforms and investments towards cleaner, smarter, cheaper and safer transportation. This effort aims, inter alia, to enable the installation and operation of charging infrastructure for electric vehicles (EV), along with increasing the share of light-duty EVs, buses and taxis in the Greek transportation fleet; and to improve the quality of services and safety of the Greek rail and road transportation system.

#### **Part B - RRP related**

Greek authorities are aiming to improve energy efficiency and develop electro-mobility and sustainable transport through the following investments and reforms: Under the frame of RRP “**Electromobility**”, the investment is related to the electrification of the Greek transport system and the development of sustainable means of transportation, by replacing old buses and taxis with new electric ones, as well as provide support for the development of publicly accessible charging infrastructure across the country. In particular, under the subsidy scheme “Green Taxis”, subsidies are being provided for purchasing /leasing battery-electric, zero-emission, taxis with obligatory withdrawal of the old ones (Euro V and older). Smart privately used charge points are also eligible for receiving subsidies. The scheme aims at replacing up to 2000 old taxis with electric ones. Under this scheme applications will be accepted throughout 2023 (RRP funds 40 m €).

Moreover, another subsidy scheme named “**Charge Everywhere**” is about to be launched in Q2 2023. The scheme will provide grants for the development of around 8.000 publicly accessible charging points across the country, focusing on strategic urban and suburban locations. The grants will cover part of the upfront investment costs, including the cost for purchasing, installing and connecting to the electricity grid, publicly available EV charging stations. The scheme focuses on supporting the roll-out of high-power recharging infrastructure. Applications can be submitted throughout 2023 (RRP funds 80 m €).

Under the same project, the award procedure for purchasing 250 electric buses which will replace old conventional ones is expected to be completed by Q2 2023. The investment is accompanied by the transposition of the Regulation (EC) No 1370/2007 for urban and interurban bus public transportation, which has been concluded in September 2022 via Law 4974. Law ensures that passengers can access

safe, efficient, attractive and high-quality public passenger transport services, contributing to SDG 11 for sustainable cities and communities. All relevant secondary legislation will have been issued and entered into force by the end of Q4 2023. Additionally, the feasibility study, including options for establishment of an e-Mobility Agency in Greece, was submitted to the European Commission. A Joint Decision of the Minister of Infrastructure & Transport and Minister of Environment & Energy adopting the Feasibility Study for an eMobility Agency entered into force on 30.03.2023 (OJ B' 2014).

In the field of upgrading railway infrastructure, several investments have been promoted. More specifically, the investment **“Interventions for the upgrade and redeployment of the Greek rail network system and infrastructure”** includes actions for upgrading of the Greek rail network system and infrastructure. It includes works for the upgrade of the existing railway infrastructure, electromechanical systems, signalling, telecommunications, electrification and other facilities required for the network operation. More specifically, the investment includes the upgrade of a total rail track length of 487 km, and will enhance the connection and accesibility in the northern axis of the country, linking Thessaloniki with the Port of Alexandroupoli, and from there with Bulgaria and Turkey. The cost of the investment is estimated at 190 m €, out of which EUR 80 million will be covered by RRF grants. During March 2023, the Inter-Ministerial Committee for Public-Private Partnerships (ICPPP) approved the inclusion of the project under the PPP framework. The PPP tender (prequalification phase) will be launched by the end of Q2 2023.

Another relevant investment is the measure for **“Upgrading suburban railway of West Attica**. The investment aims at the construction of a new branch in the Suburban Railway from Ano Liosia to Megara, within the existing railway corridor of the old railway line towards the Peloponnese. The total length of the new Suburban Railway branch will be 36 km. The investment commenced in Q2 2021 and is expected to be completed by Q4 2025. The total cost of the investment is estimated at EUR 135 million, out of which EUR 80 million will be covered by RRF grants. It is estimated that by the end of Q2 2023, the tender process will have been completed, so the construction works may commence.

Moreover, the **“Digital Transformation of the Hellenic Railways Organization”** constitutes another significant investment related to the upgrade of the Hellenic Railways Organization's (OSE) telecommunication infrastructure by installing special infrastructure technology and antennas for signal transmission and continuity throughout the network, enabling open telecommunication access, meeting the operational needs of trains as well as passengers. In addition, infrastructure for high speed internet access, as well as telematic services and smart ticketing will be installed in the train stations. The investment is proposed to be implemented as a Public-Private Partnership (PPP). The total budget of the project amounts to EUR 150 million, out of which EUR 24 million will be covered by RRF grants. The tender will be launched within Q3 2023, and the contract is expected to be signed by the end of Q1 2024.

An emblematic reform related to the above investments is the **“Organisational reform in the railway sector”**. The reform aims mainly at the reorganisation of OSE S.A. and ERGOSE S.A but also at establishing all the necessary digital tools and procedures to monitor, manage and implement the Greek

Rail projects. Furthermore, the implementation of the reform will lead to clear workflows and robust decision-making processes for the rail projects to enhance transparency and innovation, as well as better coordination of projects at the planning and execution phase. Following the completion of the roadmap incorporating the successive steps for the reform back in Q3 2021, primary legislation was enacted in September 2022 via Law 4974/2022 “Provisions for the public interurban and urban passenger road transport. Organisational reform of OSE S.A. and ERGOSE S.A. and other provisions”. Additionally, two Ministerial Decisions were issued at the end of Q3 2022 related to a) the coordination of contracts and works between OSE and ERGOSE and b) the establishment of a five-member Committee for the monitoring and coordination of the reform. Furthermore, in October 2022, “The scope and timetable of the Strategic Railway Investment Program” was published. Finally, by Q2 2023 the senior management for both companies will have been appointed and the reform will be completed by the end of the same year.

With regard to the airports, the Hellenic Civil Aviation Authority (‘HCAA’) certified in December 2017, 13 Regional Airports operated by Fraport Greece. The aim of the **“Implementation of EASA compliance rectification works”** is to achieve the fullest compliance for the 13 Regional Airports of Greece according to the new certification requirements. The investment will be funded by RRF. The investment commenced in Q4 2021. Contracts for rectification works at all airports were signed within 2022 and the project is expected to be completed within 2025.

Road safety remains an important factor for Greece. In this direction, the project **“Road Safety Upgrade”** aims at restoring the road network and rehabilitating the defects of the pavement at regions across the country in order to enhance their operation and safety level. The project will be run by the Ministry of Infrastructure and Transport and the Egnatia Odos S.A., based on studies completed by Egnatia Odos S.A. The project, which includes interventions on dangerous locations, will be funded by both RRF and EIB. By the end of Q2 2023, the contracts for restoration of more than 2,300 dangerous spots will have been signed, while by the end of Q2 2024, all contracts will have been signed.

The investment under the title **“Smart bridges”** will contribute to the “smart” and preventive maintenance for bridges across the country. The collected information will be recorded and processed by specialists in order to improve the safety level of the bridges and prevent future accidents. The investment commenced in Q3 2021 and is expected to be completed by Q4 2025. In the fall of 2022, the Greek Technical Chamber (TEE) conducted the Public Consultation. Within 2023, the contract will be signed, so the Implementation of the Project will commence.

The following project, which is also related to the above investments, is the development and implementation of the **Cretan Northern Road Axis (“BOAK”)**. The Cretan Northern Road Axis will connect the four (4) major cities of Crete (Chania, Rethymno, Heraklion and Agios Nikolaos). The Project is divided into three (3) Subprojects: “Chania – Heraklion” Section (Concession Project), “Hersonissos – Neapoli” Section (PPP Project) and “Neapoli – Agios Nikolaos” Section (Public Works Project), with total estimated cost of EUR 2.226 billion, out of which EUR 476 million will be covered by RRF grants. The preparation of the Concession Agreement and its Annexes for the “Chania – Heraklion” Section



(Concession Project) was completed, the call for Submission of binding offers was issued in December 2022 and by the end of Q2 2023, the contract award will have been notified. The awarding of the PPP Section “Hersonissos – Neapoli” took place in May 2022 and its implementation is expected to commence within Q3 2023, when the Partnership Agreement with the selected bidder will have been signed. The design & construction contract for the “Neapoli – Agios Nikolaos” Section (Public Works Project) was signed in September 2022 and construction works have commenced.

The project “**E65 Motorway Northern Section**” aims at the completion of the construction (main Axis, service roads/connecting roads and ancillary works) of a 70,47 km highway connecting Trikala to Egnatia highway. The construction is divided into two subprojects: Section Trikala I/C - Grevena I/C and Section Grevena I/C - Egnatia I/C. The investment commenced in Q3 2021 and is expected to be completed within 2025. The entire budget of the Project amounts to EUR 480 million, which will be covered by RRF grants. In July 2021, the Contract was signed and in August 2021 the implementation of the Project commenced. The current progress of works exceeds 20%.

In the shipping and maritime public policy field, the emblematic RRP investment “**Master Plan for the renewal of the Greek passenger shipping fleet**” supports the preparation of a detailed study, along with a strategy and a financing mechanism for the gradual renewal of the country's passenger ship fleet, so that it can respond to the new environmental standards. The study shall define the needs for the ship fleet upgrade as well as the timeline of the investment, the financing needs of the operators and the potential revenue that will be generated through the renewal plan. Moreover, it will define the necessary upgrade of ports` infrastructure to cope with the new vessel hosting and operation as well as the appropriate financing scheme. The definition of technical specifications is expected to be completed by Q2 2023. The study is expected to be awarded to a contractor by the end of Q1 2024. The implementation of the action shall be completed by mid 2025.

### **Part C - Not RRP related**

In the field of sustainable public transport, the effective completion of the following projects will contribute to the improvement of public transport, making it more attractive, especially in the metropolitan areas of Athens and Thessaloniki: The project “**Line 4, Section A of Athens Metro**” is related to the construction of the Section A of Line 4 of the Athens metro, with an approximate length of 12.8 km, 15 underground stations and 9 intermediate and/or terminal stations. Section A of Line 4 has been designed with the purpose to serve a number of densely populated areas of the city and important buildings and facilities, such as hospitals, educational institutions, court houses, Ministries. The investment started in June 2021 and is expected to be completed by 2030. The total cost of the investment is estimated at EUR 1.2 billion. The works have begun and continue according to schedule. Additionally, the “**Athens Metro - Line 3 Extension to Piraeus**” relates to the extension of Line 3 of the Metro from Athens to Piraeus with the construction of a 7.6 km long tunnel and 6 new modern stations. This is an investment of EUR 730 million in the area of Piraeus and other adjacent Municipalities, all of which currently face serious traffic issues and low accessibility to the public transport modes. On July 6, 2020, the first 3 stations of Aghia Varvara, Korydallos and Nikaia were commissioned, and on October

10, 2022, the opening of Maniatika, Piraeus and Municipal Theater stations took place. Consequently, the entire Line 3 Extension was commissioned within 2022.

Another important investment is the Metro of Thessaloniki, which consists of the “Thessaloniki Metro - Basic line” and the “Thessaloniki Metro - Extension to Kalamaria” with a total cost of EUR 2.5 billion. **“Thessaloniki Metro - Basic line”** is related to the construction of the Metro in the city of Thessaloniki and consists of a 9.6 km long line, 13 modern stations and a 55,000m<sup>2</sup> Depot in the area of Pylea, with 24 fully automatic driverless, air-conditioned trains of the latest technology, as well as automatic platform screen doors in each station for improved passenger service and safety. The investment is expected to be concluded by the end of 2023. Finally, the investment of **“Thessaloniki Metro - Extension to Kalamaria”** relates to the construction of the extension to Kalamaria of the Metro in the city of Thessaloniki and includes 5 Stations located along an underground line 4.78 km long and 9 fully automatic driverless, air-conditioned trains of the latest technology. This project will upgrade transport services and the environment, while it shall also substantially improve the quality of the citizens’ daily lives. The investment is already in an advanced construction phase and expected to be commissioned within 2024. More detailed information is provided on Table 1 –2019 CSR 2, subpart 1.

To strengthen and improve Greece's railway network as well as to establish safe and efficient connection with major ports, a total of six (6) major railway projects were set up for tender. The projects are in the Competitive Dialogue Phase. The award procedure for all projects is expected to be completed by the end of 2023 and each project’s construction is estimated to last 48 months. They include both infrastructure and signalling works. Upon their completion, the commercial and geostrategic role of the country's ports will be upgraded, the cross-border railway connection with the Balkans and south-eastern Europe will be strengthened and the country's role as a combined freight transport hub will be highlighted. Projects will be funded by the Connecting Europe Facility (CEF) and/or NSRF 2021 - 2027 and/or the Public Investment Programme. Their total budget is approx. EUR 4.375 billion. Their brief description follows:

- **“Thessaloniki – Toxotes ERGOSE Railway”** or **“East Egnatia Railway”** Investment concerns the deployment of a new 206 km railway line as well as the construction of 9 new stations and 3 stops.
- **“Alexandroupoli – Ormenio ERGOSE Railway”** Investment concerns the deployment of a new 176 km railway line and upgrade of 10 km of existing railway line, improvement/configuration of 34 railway stations and stops. It constitutes part of the under design European Railway Corridor and cross-border connections. The above two (2) projects will contribute to the connection of Northern Greece and Bulgarian ports with the Black Sea region (Burgas - Varna - Rousse) within the framework of the cross-border Project Sea2Sea.
- **“Rio – Patra ERGOSE Railway”** Investment concerns the extension of the railway line Athens - Patra, via deployment of the new 11 km double railway line from Rio till the New Port of Patra.

- **“Expansion of Suburban Railway – Connection of AIA with Lavrio port”** Investment concerns the deployment of a new 31 km railway line. The extension from Koropi (AIA) to Lavrio will include two railway stations (Markopoulo and Lavrio port) and five railway stops (Kalyvia, Keratea, Daskaleio, Thoriko, Kyprianos).
- **“Expansion of Suburban Railway – Connection of AIA with Rafina port”** Investment concerns the deployment of a new 12,5 km railway line. Scope for the Suburban railway is to reach the Rafina port as an extension of a 7 km line from AIA by constructing a total of five (5) new stations between the Airport and the port. At the same time a second connection from Pallini is under study, in order to provide connectivity to all nearby areas. This will resolve the port traffic issues.
- **“Railway – Connection of Thessaloniki Port 6<sup>th</sup> Pier & Suburban Railway of West Thessaloniki”** Investment concerns the deployment of a new 12,5 km railway line. Key technical issue constitutes the construction of ~2km single railway line infrastructure on embankment and on a bridge (from the connection point with the existing RL to the entrance to the new coastal RS).

Relevant and equally important investment is the **“Athens Metro - Line 1: Renovation and upgrading of fourteen (14) trains”** which is related to the upgrade of fourteen (14) trains for 70 carriages that have been operating on Line 1 of the Metro since the 1980s. With this intervention, the 14 trains which were purchased and started to operate gradually back in 1984-1985 and today are not in their best condition, will be renovated as they will have a new interior, air conditioning, screens, new E/M systems and also they will be accessible for the disabled. The total cost is estimated at 70 m € and will be financed by NSRF. STASY (which is the contracting authority) started the tender process in August of 2021 and in December 2022 awarded a contract. The duration of the project is estimated at 34 months, with a real-scale model of a representative train vehicle to be delivered within 2023 for the purpose of testing. The first “new” train will be delivered in 19 months and the last four (4) by Q2 2025. More detailed information is provided on Table 1 –2020 CSR 3, subpart 4.

Similar investment is the **“Athens Metro - Line 3: Supply of seven (7) new two-way trains”**. The investment corresponds to the supply of seven (7) new two-way trains that are to be used exclusively on Line 3 which serves the Dimotiko Theatro-El. Venizelos Airport route and a total of 27 stations on a line with a length of almost 50 km. The trains are of high end technology and have the ability to run both at metro lines and railway lines, as they can be powered in two different ways. The investment cost is estimated at €120m and will be financed through NSRF 2021-2027. Currently Attiko Metro has begun the preparatory studies in order for the tender to be launched by Q4 2023, while the delivery of the new trains is estimated to be completed by 2026.

Towards the enhancement of electromobility and reduction of gas emissions, Greek authorities proceeded with the implementation of the subsidy scheme under the title of **“Move Electrically”**, which was concluded at the end of 2021. Under the scheme some 19000 applications have been submitted, requesting subsidies for the purchase or lease of electric bicycles, motorcycles, passenger

cars, vans as well as “smart” home chargers. The 2nd cycle of the subsidy scheme with updated terms was launched in July 2022, offering increased amounts of subsidies to the different categories of electric vehicles and to the different groups of beneficiaries. Some 14.000 applications have been submitted by March 2023. In addition, currently the work is focusing on developing a new regulatory framework that will expedite the promotion of the necessary charging infrastructure.

The project titled “The contribution of **autonomous cars**” will accelerate the development of new mobility concepts for passengers leading to healthier, safer, more accessible, sustainable, cost-effective, and demand-responsive transport within both urban and semi-urban contexts via deployment and integration of autonomous vehicles into the transportation chain, thus contributing also to multi-modality. Therefore, the project aims to set Greece as a pioneer country in the field, following and contributing actively to the European CCAM (Connected Cooperative and Automated Mobility) and 2Zero roadmap for 2050. To this end, the project will help to promote and evaluate the future transformation of the current city traffic environment and ecosystem to a fully sustainable one driven by automation, electrification, cooperativeness, and inclusiveness. The Ministerial decision that introduces the use of autonomous cars in road transport into Greek legislation has been issued at Q4 2022.

Greek authorities also aim at developing and growing cycling’s modal share at the national level. The action of “**bicycle usage**” generates many positive impacts, such as cleaner air, healthier and happier citizens, more livable cities and towns, better rural connectivity and more vibrant local economies. Increasing the share of cycling contributes to the implementation of the Pan-European Masterplan for Cycling Promotion and SDG 11. In addition, increasing the use of bicycles contributes to the goals set in the Green Deal, the Strategy for Sustainable and Smart Mobility and the Urban Mobility Strategy. The “Guide of Public Policy for Cycling” that establishes the guidelines, pillars and principles for promoting cycling was published in Q1 2023. The aforementioned Guide renders the backbone for the upcoming National Action Plan on Cycling that will determine specific actions and key performance indicators, with estimated time of completion by Q4 2023. Moreover, Greece took actions to facilitate the transportation of bicycles with public transport; in Q2 2022 relevant signalling on Athens Metro and Tram was placed and in Q1 2023 the National Regulation of Passenger Rights was updated. Regarding safe parking spaces for bicycles, since Q4 2022 it is mandatory, by Ministerial Decision, to offer bicycle parking spaces in all public and private parking stations for motorcycles and mopeds.

At the same time, Municipalities can improve cycling infrastructures in accordance with the law of the Ministry of Transport for **Sustainable Urban Mobility Plans**. Since joining the Eurovelo Network and establishing a Eurovelo National Coordination Center in 2022, Greece has called the Prefectures to plan by Q4 2023 the development of national cycling routes, connecting the European cycling routes to the Greek islands. As of Q1 2023, 33% of Municipalities have completed or are at the final stage of submission. Q4 2022, Greece co-signed the European Bicycle Declaration that contributed to the European Cycling Declaration - to be initiated by the European Commission in Q2 2023. More detailed information is provided on Table 1 –2020 CSR 3, subpart 4

### 3.7. Clean and efficient production and use of energy to foster the green economy, including renewable energy and interconnection projects

#### Part A - Introduction

According to the Greek National Energy and Climate Plan (NECP) the national objective to be attained in terms of the renewable energy sources (RES) share in gross final energy consumption is at least 35% by 2030. There are also objectives for the RES share in gross final electricity consumption to reach at least 60%, for the RES share in covering heating and cooling needs to exceed 40% and for the RES share in the transport sector to exceed 14% by 2030. These quantitative objectives rely on reforms and investments promoting the fast and sustainable penetration of RES in the market, ensuring the transparent operation of the electricity market, electrifying the transport sector and increasing the energy efficiency of the building stock. In 2022 the share of RES in gross final electricity consumption reached 45%.

#### Part B - RRP related

In the field of electricity interconnections and storage for supporting RES penetration, a number of investments are being promoted. More specifically the investment **“Interventions for the electricity interconnection of islands and the upgrading of the electricity network”** includes the development and expansion of the Hellenic Electricity Transmission System (HETS), the enhancement of electricity network to support the increase of RES penetration, the seamless, safe and uninterrupted transmission of electricity from production to consumption sites and the promotion of the development of free competition in the country’s electricity market. More specifically, the investment includes the electricity interconnection of the Cyclades Islands (Phase D), an overhead line connecting Extra High Voltage Centre (EHVC) Corinth and EHVC Koumoundouros and accompanying projects. The projects shall boost energy system security, while also increasing the potential for electricity generation from RES in the islands and the Peloponnese. Regarding the contracts for Phase D of the Cyclades interconnection, they are currently undergoing review and are in the pre-award notification status. The contracts for the substations on the islands of Milos, Serifos, and Folegandros have already been awarded, while contracts for the islands that will be connected via cables are still pending. As for the Koumoundouros-Korinthos project, construction is ongoing. More specifically, the construction of the 400 kV building has been completed, while the construction of the 150 kV building is still in progress. Furthermore, the installation of GIS equipment for the 400 kV building is also ongoing.

Another relevant investment is the **“Installed capacity increase in Hellenic Electricity Distribution Network Operator (HEDNO) HV/MV substations for new RES connection”**. The investment aims at the expansion of the distribution network in order to allow for the optimal and timely realisation of new “medium and large scale” RES projects, avoiding long delays due to congested networks. Its goal is to address the congestion of the distribution grid that prevents further growth of RES plants in specific areas with a high potential. The investment includes the installation of new HV/MV power transformers in existing HV/MV substations that are expandable or the replacement of existing HV/MV power transformers with power transformers of higher MVA. The investment includes the installed capacity

increase in existing HV/MV substations by 800 MVA. By the end of 2022 all tenders for HEDNO projects on capacity increases of High Voltage/Medium Voltage substations, had been launched. Critical steps that have already been completed within Q1 2023 are: a) the award of the contracts regarding Oinofyta Substation, b) the submission of tenders for Pylos Substation, and c) the evaluation of the tenders that have been submitted for KYT Fillipon.

Another significant investment is the **“Support of the installation of storage systems to enhance RES penetration”**. The project intends to support the installation of up to 1,380 MW capacity of Energy Storage in the electricity system, ca. 50% of which will come as long duration storage from the Amfilochia PHS. These investments will allow the system integration of new RES capacity required for the achievement of NECP targets. In addition, this action will also alleviate network congestion, increase the flexibility of the electricity system and liquidity of the balancing market, enhance system adequacy, enable energy efficiency and promote electricity price transparent formation. At the beginning of July 2022, the required legislation for the incorporation of the approved support scheme was voted. Until the end of 2023 will be tendered, in two or three rounds, around 900 MW of storage capacity with the first tender to be held until the end of June 2023. The storage systems that will be selected in the competitive bidding process will have to be in operation until the end of 2025.

Another action in the framework of RRP is the **formulation of the RePower EU chapter**, which will include additional projects and reforms for decarbonizing the economy with a total public expenditure of 795,6 M€. This program is under preparation and expected to be finalised within 2023. It is coordinated by the Ministry of National Economy.

Climate mitigation and adaptation actions for the built environment in Greece is a key priority. Towards achieving these objectives, a set of key reforms and investments that promote renovation and energy efficiency of buildings, implement urban and spatial planning, addressing at the same time energy poverty have been designed and are being implemented. In particular the investment under the title **“Energy renovation on residential buildings”** aims at optimising the operational energy profile of residential buildings by financing renovations related to energy efficiency. These renovations concern both actions in favour of energy saving as well as the adoption of smart technologies and systems of self-production, with financial support towards the energy poor households. The second round of renovations was conducted in Q4 2022 and attracted more than 87.500 households, while the achieved reduction of the primary energy consumption is considerably high and exceeds the minimum upgrade 30%. On 87,578 currently approved renovations, the expected reduction of the primary energy consumption according to Energy Performance Certificates, reaches an average of 75.80%, while the primary energy savings reduction is 77.63%. Energy poor households are also supported under the program in the form of increased grants percentage. Taking into consideration also previous programs with the same target (not necessarily related to RRP), the total number of energy renovated houses to date is about 181.000. The third round **“Exoikonomo – Anakainizo for the youth”** has two parts: **“Exoikonomo”** and **“Anakainizo”**. Under the **“Exoikonomo”** frame, incentives are being provided for energy saving interventions in the domestic building sector, in order to reduce energy needs and the consumption of conventional fuels, in the context of the transition to an **“Energy Efficient Home”**. A

prenotification of the Guide has been launched in Q1 2023, while the finalised Guide is expected to be issued in Q2 2023. The total number of “Exoikonomo” renovations (at least 50.000 and with a goal of 105.000 households) will be gradually implemented by Q4 2025.

Furthermore, another program for households and farmers - is going to be launched in the coming period. The core idea of the project is the acceleration of the green transition by enhancing the production of clean, renewable energy and achieving a more resilient energy system. To that effect, the goal is the establishment of a suitable subsidy scheme at household level for the implementation of a photovoltaic system on the households’ rooftops, along with a battery system. Similarly, at a farmer’s level the goal is the implementation of a photovoltaic system on a field (with the option of involving the use of a battery or not). Therefore, both goals of producing clean energy and increasing the resilience of the energy system are being served.

The investment programme “**Photovoltaika sti stegi**” is related to the energy efficiency upgrading of residential buildings. It comprises direct grants to households and it is fully compliant with the goals of the REPower EU plan. It aims to promote innovation in the domestic construction and manufacturing industry, to enhance the production of clean energy, to save energy at the level of households and specifically buildings at the level of the power system by boosting energy efficiency, to fast forward the green transition and to achieve a more resilient energy system. The program is expected to be launched by the end of 2023 with the next target being the evaluation of all applications and the electrification of PVs by the end of 2025.

Regarding energy-poor households, the proposed reform corresponds to a specific subsidy program for **Energy Communities of Municipalities** in developing and installing a PV station to cover the annual energy needs of energy poor households. The energy efficiency upgrade investment, especially for the residential buildings, is strongly interrelated to the reform of the “**Energy poverty action plan**”. The proposed reform aims at improving energy efficiency of energy -poor and vulnerable households by establishing affordable access to energy. The reform is linked to the climate neutrality target and aligned with the National Energy and Climate Plan (NECP). It includes the establishment of a framework that will define energy-poor households (in accordance with the relevant EU directives 944/2019 and 2002/2018) and will introduce mechanisms for monitoring and reducing energy poverty. The goal is the reduction of the footprint of energy-poor households by 50% by 2025 and by 75% by 2030. The Joint Ministerial Decision establishing the energy poverty action plan has been issued on Q3 2021 and the implementation of specific measures for 2022 and 2023 are on track.

Additionally, the energy efficiency measures are further expanded supporting the private companies for energy-efficient renovations of their buildings and processes with the Program called “**Exoikonomo Epixeiro**”. They include another two sub-programmes: (a) energy efficiency renovations in the tertiary and secondary sectors for medium, large and very large enterprises and (b) installation of energy efficient equipment in very small enterprises. The call for the investments will be live on Q2 2023 and the implementation of the investment shall be completed by 31 December 2025. Moreover, the energy

efficiency measures for the private companies include also a **program for the installation of PVs and storage systems for auto-consumption**. The program is going to be launched by the end of 2023.

Strongly related to the above investments is the program **“Energy upgrade of public sector buildings”**. It aims at encouraging the development of an Energy Saving Companies (ESCOs) market for the energy renovation of existing buildings and infrastructure of the (wider) public sector and for the upgrade of street lighting infrastructures. In particular, the investment concerns the involvement of ESCOs for implementing investment proposals of a project or group of projects of the wider public sector. The aim is to accelerate the implementation of projects of significant economic size and significant energy efficiency impact in the public sector, promoting the ESCO business model and creating stable demand for energy performance services through energy performance contracts, securing also direct support (grant) for part of their projects budget. The application guide for the energy efficiency of public sector buildings is live, the process and the legal framework for the Energy Performance Contracts has been completed, while the Information System (Electra Project) is also completed. The approval by the Ministry of Environment and Energy of applications for 210 public sector buildings, ensuring that the GHG emissions of these respective buildings is reduced by, on average, at least 30% compared to their existing situation (as indicated through the energy audits performed prior to the interventions) is expected to be completed by Q2 2023. The implementation of the investment shall be completed by Q4 2025.

A reform of great importance is the **“Framework for installation and operation of electric vehicles charging infrastructure”**. Besides the issuance of a legislative framework towards the electrification of the Greek transportation sector, the reform incorporates, inter alia, the establishment of the “National Registry of publicly accessible charge points and market bodies”, which is an internet platform (collecting and) providing data about the location and availability of publicly available recharging points for alternative fuels that need to be accessible to all users on an open and non-discriminatory basis. Specifically for recharging points, information on real-time accessibility will be included, as well as real-time charging information. The key milestone of the reform, which was the adoption of law 4710/2020, was achieved in July 2020, while the publication of the secondary legislation which was considered critical for the electric vehicle market operation has been completed by Q3 2021. The dynamic display platform on the internet has become operational within 2022, at the same time with the National Registry of the market bodies. The reform was finalised in December 2022 with the conduction of 300 sitting plans for publicly accessible infrastructure by Greek local authorities (municipalities).

The investment **“Produc-E Green”** contributes to the same objectives. It aims at establishing production capacity in products and services that promote green economy and innovation and at promoting storage of CO<sub>2</sub> emissions; and is composed of two sub projects. (1) The funding, in the form of grants, of industrial production units to make products in the green economy sector and (2) The development of the first CO<sub>2</sub> storage facility in Greece. The first initiative of the investment aims at strengthening the industrial production capacity of the country in green economy related products. The second initiative focuses on the application of carbon capture, utilisation and storage (CCUS)



technologies, which have long been considered as valid alternatives in the portfolio of mitigation actions for the stabilisation of atmospheric greenhouse gas concentrations. In Q2 2023, the programme will be launched for selection of industrial units.

Prinos, in Kavala is being proposed for the development of the first **CO2 Storage facility** in Greece. It is an extensively mapped and surveyed location, where oil drilling operations have been taking place for decades. The development of the CO2 storage facility has significant synergies with various on-site and off-site activities that are responsible for a significant percentage of Greece's carbon footprint; by developing this facility significant emissions reduction will be achieved, CO2 capture will be introduced for heavy emitters and hard to abate sectors. The project's milestones include the issuance of a CO2 Storage Licence by Q2 2024 and the operation of the site by Q4 2025. Preparation of the file for notification of the investment aid to DG COMP began in early 2023.

Concerning Renewable Energy Sources; under the reform "**Streamlining the efficient operation of the new electricity market model and the development of new RES plants**" a simplification of the RES licensing process has been enacted with law 4951/2022 (O.G. A 129/4-7-2022). Another reform under the same pillar of "power up" of the RRP is the "**Restructuring and enhancement of the RES & Combined Heat and Power (CHP) Account revenues**", which has been also enacted within 2022. The reform aims at ensuring the financial sustainability of the RES CHP Account both for existing and upcoming RES units, by measures that reduce legal risk, ensure the bankability of new projects, establish a new mechanism for new RES remunerations that will work automatically, ensure the viability of old RES FIT contracts and facilitate investments so as to reach NECP targets and raise investors' confidence, along with the Guarantees of Origin trading system that includes accreditation for the green retail products and the green business standards.

Another important step in increased RES deployment is development of the offshore wind sector. Subsequent to the voting of the offshore wind framework into law in July 2022 (L. 4964/2022, also an RRF obligation under Reform 16860), the next step is the development of a National Program on Offshore Wind Development. The draft Program and its accompanying Strategic Environmental Assessment are being prepared by "Hellenic Hydrocarbons and Energy Resources Management Company S.A", based on preparatory work already performed by the MoEE in 2022, and will be finalised by Joint Ministerial Decision in Q2 2023. Following that, the first Offshore Wind Farms Organized Development Areas (OWF-ODA) that will cover the national offshore wind capacity target for 2030 (2.6GW) will be selected by Q4 2023 and designated as such by Presidential Decree in 2024.

### **Part C - Not RRP related**

The integration of the regional electricity spot market is expected to be further strengthened, following the existing Complementary Regional Intraday Auctions and XBID Continuous Trading, with the inclusion of the Greek Bidding Zone in the "Pan European Intraday Auctions (IDAs)". Testing activities, with the participation of the Hellenic Energy Exchange S.A. (HEEx) and the Independent Power Transmission

Operator S.A. (IPTO), are scheduled in Q3 and Q4 of 2023 aiming at a Pan-European go-live of the IDAs by Q2 2024.

Following the transposition of EU Directive 2019/944 in the National Legislation and the conclusion of the necessary amendments of the Regulatory framework, Demand Response participation in wholesale Day-Ahead and Intraday Markets is expected to be activated during Q2 2023 enhancing competition in these markets and providing further tools to market participants for efficient and market driven demand-side management.

Participation of existing and planned investments of storage infrastructure in Day-Ahead, Intraday and Balancing markets, mitigating the generation-demand balance constraints and promoting further the secure RES penetration, is expected to be activated by end-2023 as the national authorities, HEnEx and IPTO are cooperating for the conclusion of amendments on the market rulebooks, technical decisions and systems updates.

Higher RES penetration and efficient market-oriented management of close to real time renewables are key priorities in Greece also for 2023. Design and implementation works for the introduction of 15min products in the Day-Ahead Market at the national and EU level will continue during 2023 for the Greek authorities, HEnEx and IPTO with the aim of participating at the Pan-European introduction of such products in the Day-Ahead market by Q1-2025.

Under preparation is also an integrated information system for RES. This system, installed and operated at the Ministry of Environment & Energy, will be linked with the information systems of the various licensing organisations (Regulator, Transmission & Distribution System Operators, etc.) and will offer a single interface for all authorizations, thus accelerating and improving the transparency of the licensing process. It will also improve the monitoring of the RES development by the Ministry. The IT system is currently under construction and scheduled for completion in Q1 2024.

Following the successful initiation of the Natural Gas Trading Platform in March of 2022, new products and services are planned to be introduced in order to increase the number of market participants from Greece and neighbouring countries, to enhance liquidity and thus facilitate the price discovery process. The Natural Gas Trading Platform contributes significantly to the security of supply in the SEE region by improving the risk profile of operating in the natural gas sector in the region, and can serve in future years as a market tool that will enable the transition towards a hydrogen economy.

Development of an organised marketplace/platform for the conclusion of mid-term and short-term Power Purchase Agreements (PPAs), is also set as a target for the Greek wholesale electricity market. Following the conclusion of the public consultation phase, HEnEx is expected to complete the required market-design study, business plan, IT infrastructure and regulatory framework aiming to provide such a tool to market participants by end-2023. PPAs are considered as a key-enabler for the development of Renewable Energy Sources in Greece towards reaching the targets set by REPower EU, and Greece aspires to decisively support the conclusion of such contracts through the development of a platform operated by HEnEx. More detailed information is provided on Table 1 –2022 CSR 4, subpart 4.

An important reform related to the dual target of increasing RES deployment and reducing emissions from hard to abate sectors is the “Green Pool” support scheme. This innovative scheme **will support the decarbonisation of the electricity consumed by electro-intensive industries** (which represents the primary decarbonisation challenge -but also the primary decarbonisation potential- in these industries) and potentially other categories of large scale electro-intensive consumers. The objective of the scheme is to enable electro-intensive industries to switch to renewable electricity by concluding long-term renewable power purchase agreements (“RES-PPA”) with new (merchant) RES capacity. At the same time the scheme will address one of the key barriers in RES uptake from EICs: namely that electro-intensive industrial processes tend to require an extremely steady and uninterrupted supply of massive volumes of electricity and this makes it very difficult -and expensive- to cover this demand using stochastic renewable electricity generation. The scheme’s answer is to subsidise part of the costs related to transforming, or “shaping”, the stochastic production profile of RES to a stable demand profile required by the industry (the “shaping costs”). The measure was pre-notified to DG COMP in 2022 and discussions are proceeding, with approval by the Commission expected within 2023.

Another important reform is the introduction of **biomethane** in the energy system. Formulation of the legislative and regulatory framework including support mechanisms is under preparation and scheduled for completion within 2023. This will enable implementation of projects for production of biomethane (either upgrade of existing biogas units or installation of new biomethane units) and its injection in the existing gas grid, with the aim to replace equivalent amounts of natural gas, especially in sectors where electrification and gas replacement is not an easy option.

The implementation of the **GR-eco Islands Initiative** is another key pillar towards the decarbonisation of Greek islands. This Initiative has been formally established through the Greek Climate Law and aims at turning Greek islands into models of green and sustainable development as well as hotspots for innovation, worldwide. For islands to be included in this Initiative, a variety of interventions will need to be implemented, including interventions in the areas of renewable energy production, energy efficiency, electrification of transport, circular economy, enhancement of existing and creation of new port and other infrastructure.

In the field of **Grids/Interconnections and more specifically island interconnections** with the mainland system; in addition to the interconnection of Cyclades financed by the RRF, further island interconnections with the mainland system have been planned with the aim to decarbonize the islands’ energy system and optimise RES production and consumption. More specifically, following completion of the first submarine cable interconnection between Crete and Peloponnese in 2021, a second interconnection between Crete and Attiki is under construction and scheduled for completion by the end 2024. Preliminary works for the interconnection of Dodecanese and North Aegean islands with the mainland have been scheduled to start within 2023 and the projects to be completed by end 2029. All these projects are implemented by the Hellenic Power TSO (HPTSO).

The most rapidly evolving project in this group is the “**Maritsa - Nea Santa**” Greek-Bulgarian interconnection, which corresponds to the construction and operation of a second interconnecting line

between the Greek and Bulgarian Systems and will take place via an overhead interconnecting 400 kV Transmission Line between the Nea Santa HVC and the Maritsa East Substation. The project is expected to be completed by mid Q24 2023.

The **electricity interconnection project Israel-Cyprus-Crete (EuroAsia Interconnector)**, which will enable bi-directional electricity transmission between the above countries thus allowing optimization of RES generation and consumption between the above countries, consists of 2 submarine cables 1,200 km long and 1 GW each. The project is included in the list of European Projects of Common Interest (PCI) and has ensured EU funding at the level of 0.76 b€ out of a total budget of 2.5 b€ (for the 1st cable). The HPTSO has decided to participate in the project with a 25% share. The first cable interconnection is planned to be completed by the end 2027.

A similar **electricity interconnection between Greece and Egypt** is under feasibility study. The project (GREGY project) includes submarine cable interconnection between the two countries, bypassing Crete, ~950 km long and of total power 3 GW. It will be combined with the development of ~9.5 GW RES in Egypt with the aim to export renewable electricity produced in Egypt to Greece and Europe. Preliminary technical and economic studies are scheduled to be finalised within 2023 as well as inclusion of the project in the PCI list.

Regarding the Natural Gas interconnection projects, **the Interconnector Greece- Bulgaria (IGB)** with the National Natural Gas System (NNGS) in the Komotini area, which is the second connection between the Greek and Bulgarian gas Transmission Systems, has been completed since Oct. 2022, while an upgrade of its capacity from 3.0 to 5.0 bcm/yr is under implementation with the installation of a compressor station at Komotini scheduled for completion by end 2025. Also, following a successful market test, the Final Investment Decision for the Interconnector Greece-North Macedonia is scheduled to be taken in Q3 2023 and completed by end 2025. The size of this pipeline allows its further expansion to Kosovo and Serbia.

Regarding the Energy supply diversification and security, with the aim to achieve full independence from the Russian supply natural gas route, two emblematic projects are under development: First, the **Alexandroupolis Floating Storage and Regasification Unit (FSRU)**, co-financed by the NSRF 2014-2020. The project is under construction and is scheduled to operate from beginning 2024. This unit will further diversify the supply of the Greek gas market. Combined with the Interconnector Greece-Bulgaria pipeline (IGB), it will enable transfer of LNG to the market of Bulgaria and further north up to Ukraine too. Second, **the Dioryga Gas FSRU**, planned to be anchored at Agioi Theodoroi coast close to Revithoussa. Following technical studies, the project is under closure of authorization and financing and is scheduled to be completed by end 2025. Closely linked to the above projects is the upgrade of the capacity of the Greek Transmission System with the installation of a new compressor station at **Ambelia** and upgrade of the **compressor station at Nea Mesimvria**. The projects, co-financed by the NSRF 2014-2020, are under construction by the Hellenic Gas Transmission System Operator and are scheduled to be completed by the end 2024.

In the field of the **Natural Gas exploration projects in East Mediterranean**, the collection of 3D seismic data for Block 2, Block 10 and Ionian block (at Ionian sea), as well as 2D seismic data in the offshore areas west and southwest of Crete have been finalised by the concessionaires and are under analysis and appraisal. In case of positive results, exploration drilling for the above projects may take place within 2024 and production of natural gas in 2028-2029. An exploration drilling at Ioannina region is scheduled to be completed by the end 2023. In case of a positive result, production may start within 2026. All above projects aim at the diversification of gas supplies in Greece and E.U. and are supervised by the public company "Hellenic Hydrocarbons and Energy Resources Management Company S.A". More detailed information is provided on Table 1 –2022 CSR 4, subpart 3.

Regarding Energy Efficiency, the program of energy savings in public buildings constitutes another initiative. The core target of this initiative is the reduction by 10% of the energy consumption of public buildings and energy infrastructures compared to 2019. The Energy Efficiency Auctions is a new financial mechanism targeting building in the tertiary sector (offices) to be launched in the Q4 of 2023.

The "**Recycle - Replace Appliance**" Program is related to an intervention with an initial budget of 150 million euros, aiming at reducing the energy footprint of households by replacing energy-consuming old household appliances (i.e., refrigerators, freezers and air conditioners) with new ones of high energy class, in combination with the withdrawal-recycling of households' old appliances. The program started with initially about 150,000 beneficiaries, who through an increase in the budget to 290 million euros, as well as repeated redistributions of unused vouchers, have exceeded 500,000 citizens who have gained the right to replace their old energy-consuming appliances, saving money and improving their living standards, satisfying more than 60% of applicants so far. A central choice of the program, among others, is the prioritisation of vulnerable population groups (persons with disabilities, single-parent families, large families, low-income) as well as the strong regional distribution of beneficiaries.

The "**Recycle - Replace Your Water Heater**" program concerns an intervention of an initial budget of 100 million euros, aimed at significant energy savings through the replacement of electric water heaters, the most energy-consuming household appliance, with new solar technology water heaters, while also withdrawing and recycling old water heaters. The program targets approximately 120,000 beneficiaries who will have the opportunity to significantly reduce the related expense of their household budget, contributing decisively to the national goal of energy conservation. The central choice is to prioritise vulnerable population groups (people with disabilities, single-parent families, large families, low-income) who are provided with increased subsidies. Finally, the program will contribute to the support of domestic production of solar water heaters, a sector in which Greece is a global leader.

Another initiative will create a comprehensive legal framework for the Energy Auditors, in accordance with the existing framework for Construction Auditors. In this regard, the aim is to create a streamlined process for both construction and energy performance auditing. The public consultation period for the program implementation guide has been completed in March 2022. More detailed information is provided on Table 1 –2022 CSR 4, subpart 5.

Regarding the National Energy & Climate Plan, following the “Fit for 55” European policy and the enactment of the National Climate Law (O.G. A 105/27-5-2022), the revised NECP is under preparation and expected to be finalised within 2023. Also, the National strategy for the development of hydrogen production and usage is expected to be finalised within 2023.

In the field of climate change, following the adoption of our **National Climate Law**, the necessary arrangements for its implementation include the official designation of a Scientific Committee on Climate Change, the designation of a National Council for Adaptation to Climate Change, the designation of climate representatives of each Ministry, establishment and formation of the Governmental Committee to monitor the Progress towards Climate Neutrality, establishment of a National Observatory for Adaptation to Climate Change, potential decision to specify the specifications and content of municipal climate action plans. The foreseen Scientific Committee on Climate Change has already been established in Q1 2023 and the decision on the content and provisions of the municipal climate action plans is planned for Q4/2023, if required.

An important tool to achieve the 2050 climate neutrality objective, and the 2030 energy and climate targets, is the **Decarbonisation Fund for the Greek islands**, foreseen in article 10a(9) of the ETS Directive, allowing Greece to claim up to 25 million allowances under the EU emissions trading system for the co-financing of projects that will contribute to the decarbonisation of their electricity supply. In Q1 2023 tangible progress has been achieved on the finalisation of the trilateral cooperation agreement between the European Commission (EC), the European Investment Bank (EIB) and the Hellenic Republic. Finalisation and signing of the cooperation agreement, as well as the technical agreement on the content and scope of the foreseen Greek project proposal are expected within Q3 2023. Upon the finalisation of the Greek project proposal, it will be submitted with all the relevant supporting documentation for EC approval.

### **3.8. Enhance environmental infrastructure to foster the green economy**

#### **Part A - Introduction**

The main global challenges in the field of environment are biodiversity loss, pollution, and climate change. The systemic nature of these challenges makes it necessary to develop sustainable policies incorporating all three dimensions of sustainable development (social, environmental, economic), with common benefits and synergies in addressing climate change, protecting nature and biodiversity, air quality and water resources. The main objectives of the proposed reforms and investments are aligned with natural environment protection, sustainable water management, circular economy, climate change and agricultural development.

#### **Part B - RRP related**

**Water** is an important element and a scarce resource. As investments are still needed to improve water treatment and water infrastructure in general, to improve the quality of drinking water and to ensure its availability through the reduction of leaks, to address challenges relating to public health and water

supply infrastructure, four (4) subprojects are in progress in 2023 under the investment “**Drinking water supply and saving infrastructure**”, on water supply infrastructure, desalination units, telemetry, and remote control to detect leaks in water supply networks, and procurement of digital water meters. Municipal Authorities have already submitted their proposals which are to be evaluated by the end of Q2 of 2023. Furthermore, to address performance shortcomings of the water supply services, particularly regarding distribution leakages, the mandate of the independent regulatory authority for energy has been extended, to include water, wastewater, and waste. This authority in its new format since March 2023 is, inter alia, legally responsible for implementing the policies for the proper management of water resources. Staffing and equipment for this authority is the next step so that it can be functional by Q4 of 2023.

The investment “**New infrastructure - Urban Wastewater and Sludge Management Infrastructures from Wastewater Treatment**” aims at reducing pollution to the natural and human-made environment arising from wastewater treatment, by constructing new and upgrading existing infrastructure. The Investment consists of three (3) subprojects: (a) construction of 51 new sewage network infrastructures and wastewater treatment plants (WWTPs), (b) upgrading, extension and modernization of 15 WWTPs and reuse of treated water and (c) construction of 19 sludge management infrastructures from WWTPs. The part of the investment relating to upgrading and modernization of 15 WWTPs shall comply with the requirement for the constructed front-to-end wastewater system to lead to a decreased average energy use by at least 10% achieved solely by energy efficiency measures and not by material changes or changes in load. The implementation of the investment shall be completed by 31 December 2025. Tenders for works and equipment for the three sub-projects will be launched by Q2 2023. During the period from Q2 2022 to Q1 2023, Greek authorities issued the call for projects proposal and completed successfully the evaluation of the projects, and the publication of the approved projects for financing from the RRF as well. Furthermore, they created a platform for technical assistance to the project beneficiaries. The next steps concern the announcement of the Call of Tenders for fifty one (51) projects regarding the construction of sewage network infrastructure and Wastewater Treatment Plants (WWTP), fifteen (15) projects regarding the upgrading, expansion and modernization of Wastewater Treatment Plants and reuse of treated water, and nineteen (19) projects regarding the implementation of sludge management infrastructure from Water Waste Treatment Plants. Notification of the contract awards for all the aforementioned wastewater and sludge management projects should be done by the end of Q4 2023. Then, the construction of these projects will commence and proceed during Q1 and Q2 2024.

The investment “**Water Supply Projects**” is related to water supply works in areas of Western Greece and the islands of Lesbos and Corfu. The aim of the investment is to meet the extensive water supply demand during the summer months and address leakage problems. The constructed systems shall comply, on average, with an Infrastructure Leakage Index (ILI) that will be less or equal to 1.5. The measure requires that all works comply with the following principles: (i) all technically feasible and ecologically relevant mitigation measures shall be implemented to reduce adverse impacts on water and relevant habitats and species; (ii) newly built dams will not result in the deterioration nor compromise

the achievement of good status of the relevant and connected water bodies. The tenders for works and equipment for areas of Western Greece and the island of Lesbos were launched in November 2022, while the tender for the island of Corfu was launched within January 2023. It is estimated that the award procedure will have been completed by Q4 2023.

These principles must also be complied with in the context of the investment on **“Flood mitigation projects”** which incorporates interventions reducing risks of flooding, providing water for irrigation purposes in areas facing drought during the summer and enhancing surface water management efficiency in several areas in Greece. The measure requires that all works comply with the following principles: (i) all technically feasible and ecologically relevant mitigation measures shall be implemented to reduce adverse impacts on water and relevant habitats and species; (ii) for a newly built dam, ensure that it shall not result in the deterioration nor compromise the achievement of good status of the relevant and connected water bodies. Tenders for works and equipment were launched within 2022. It is estimated that the award procedure for all tenders will have been completed by Q4 2023 and the implementation of the investment will have been completed by the end of 2025.

In the framework of improving water treatment and water infrastructure, the project **“Investments in the national irrigation network through PPP schemes”** is implemented. This program not only aims to the upgrade and modernization of the national agri environmental, land improvement and remediation framework, but it also requires the reform of the institutional, organisational and operational framework of the collective irrigation networks. As the Greek agriculture sector is known to be the largest consumer of water (80- 85% of the total consumption of water resources), the implementation of sustainable agricultural practices targeting productivity increase, maintaining ecosystems, enhancing adaptation to climate change, and improving soil quality, is deemed as imperative. The first two sub projects have been approved during March 2022, for implementation via the PPP scheme. In Q1 2023 four sub projects (Minagiotiko Dam, Tavropos irrigation system, Lake reservoir Xoclakia, Ag.loannis Dam) have been procured and next month two more (Nestos irrigation system, Hypereia-Orfana irrigation system) will be procured as well.

Prioritising challenges related to biodiversity, soil, air and water (e.g. catch and cover crops, retention of crop residues on fields, switching to less water intensive crops and improved crop varieties, improving irrigation efficiency via water-saving systems and precision farming) combined with an enhanced conditionality, will be crucial to the successful green transition of Greek agriculture.

The **“Economic Transformation of the Agri-Food Sector”** reform for food safety and adequacy, prioritising actions such as the strengthening innovation and the transition to "green" processing of agricultural products, the "green" agritourism, the restructuring of crops and the genetic improvement of animals. Numerous applications have been approved and have received advance payments regarding **“Innovation and green digital transition on processing agricultural products”**, while a second cycle is being prepared. The applications submitted for **“Modernization of Primary Sector”** and **“Green Rural Tourism”** have been assigned to assessors for approval. The calls for **“Cultivation Restructuring”** and



“Animal Genetic Improvement” are modified in order to achieve a more rational distribution of budget between the subprojects.

The investment “**Proposals for actions in the aquaculture sector**” includes innovative equipment solutions, research, transfer of know-how and training of human resources with a view to modernising and diversifying aquaculture production. It also creates a genetic material bank for endangered species and commercial species of freshwater fish. The objective of the investment is to support environmentally friendly production processes and resource efficiency leading to increased trade and job creation in the sector. In addition, aquaculture is one of the main pillars of the Blue Growth Strategy. Both the current and the approved new Common Fisheries Policy promote the sustainable development of European aquaculture which is a key priority. The project "Proposals for actions in the field of aquaculture" has been incorporated to the Recovery and Resilience Fund and in November 2022 a call for applications was issued. The applications are currently submitted and the list of the approved investments will be finalised no later than Q2 2023.

Regarding forestation policy, the Investment “**National Reforestation Plan and Parnitha flagship investment**” aims at restoring selected forest ecosystems in Greece that suffered from natural disasters and implementation of actions for adaptation of forests to climate change. This investment has two parts. First, the restoration of 16,500 ha of degraded forest ecosystems in Greece. The project shall cover both reforestation studies and their implementation. The clean-up of the forests has begun and the invitations for technical consultants will soon be issued. Following the launching of the tenders for works and equipment for all sub-projects by Q3 2022, the award of the contracts for the implementation of the reforestation will be concluded by Q2 2023.

The authorities also promote an investment under the title “**HEDNO overhead network upgrading in forest areas**”, which will contribute to the green transition, as it will include the replacement of bare conductors in the overhead electricity distribution network (with covered ones or a twisted cable), the installation of insulating covers, and the undergrounding or relocation of the electricity distribution network passing through forest areas. The project shall improve the resilience and reliability of the network (energy quality indicators SAIDI, SAIFI) and better protect the environment (forests, wildlife). The final budget stands at EUR 124 million (RRF Budget: EUR 40 million). By Q4 2022 the tender documents of all contracts related to projects on overhead networks in forest areas have been published. The implementation of the investment shall be completed by 31 December 2025. Until the end of Q4 2022, contracts of 37 regions (15 companies) have been signed, while the awarding of the tender for the supply of wooden poles is pending.

The investment “**Biodiversity Protection as a driver for sustainable growth**” will be a driver for sustainable growth, aiming at the effective conservation of biodiversity in protected areas. In line with the EU Biodiversity Strategy for 2030, several projects funded by RRF aim at protecting biodiversity. These include the establishment of a national network of paths and hiking trails, a National Permanent

Monitoring and Surveillance System of species and habitat types,—a National System for the management of Protected Areas, the upgrade of the building facilities and information centres of the Protected Areas Management Units, the creation an integrated digital platform which offers information on protected areas as well as the promotion of local products under the umbrella of a ‘Nature Greece’ brand. These reforms will also enhance Greece’s compliance with EU policies on biodiversity and the natural environment, fulfilling the relevant recommendations of the EU.

An important reform is the **“Waste management law for the implementation of sustainable landfilling and recycling and establishment of a waste management regulator”** which includes a revision of the existing legislation with a view to enabling the transition towards increasing recycling and promoting a circular economy. In particular, the reform introduces incentives for municipalities to achieve higher recycling rates, enforces separate collection of metal, paper, glass and plastic and bio-waste, extends the “Producer’s responsibility” scheme, upgrades the operation of recycling sorting facilities and simplifies the legislation around green points. It shall support the achievement of targets of increasing reuse and recycling rates of municipal solid waste to 60% and reducing the landfill rate to 10% by 2030. The national waste regulatory authority that recently has been put in place shall, inter alia, be responsible for ensuring the soundness of the pricing policy, supervision of waste management implementation across the country, and supervision of the proper functioning of the regional and local waste management utilities. The implementation of the reform will be completed by 30 June 2023. Since Q2 2022, ten (10) calls for tender, regarding the construction of 6 Mechanical-Biological Waste Treatment Facilities (MBTs) and 4 Bio Waste Treatment Facilities (BTFs) respectively, have been launched. Also, nine (9) illegal Landfills were shut down and restored. The next steps include the announcement of at least 11 calls for tender regarding the construction of 4 Recycling-Recovering Treatment Facilities (RRFs) and 7 Bio Waste Treatment Facilities (BTFs) respectively, as well as the upgrade of the existing MBTs facilities into RRFs, by Q2 2024. Furthermore, two specific programs for enabling Municipalities to acquire the required equipment for the collection of biowaste and some streams of recycling materials are planned. Moreover, a feasibility study for the creation of a network of Waste-to-Energy Plants is in progress and a Ministerial Decision for the construction of Waste-to-Energy Plants is scheduled to enter into force by the end of 2023.

To improve reuse and recycling in line with **circular economy** principles, and to meet the post-2020 target, the single-use plastics (SUP) law transposing the relevant EU directive, has set the national framework to reduce single-use plastics. As regards secondary legislation stemming from this law, the decision on the establishment of deposit-refund schemes (DRS) was issued in July 2022, while acts relating to (a) tobacco and related products and (b) fishing gears containing plastic, are to be published by Q4 2023.

Finally, the RRP Investment **"Upgrade Interventions for Regional Ports"** aims to mitigate the negative impact of climate change on regional ports while also improving the infrastructure of smaller and medium-sized ports in islands and areas with developed tourism activity. The interventions shall be

made in twelve ports throughout the country and consist of infrastructure improvements such as upgrading of the quays of ports to facilitate embarkation, wave-breaks, installation of floating piers, construction of service ramps, quay walls and coastal protection works. It is expected that this measure does not do significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852. It is expected that all contracts would be awarded by the end of 2023. The implementation of the investment shall be completed by 31 December 2025.

### **Part C - Not RRP related**

Greece has posed under environmental protection status 35.2% of its land areas (EU average 26%) and 4.6% of its marine areas (EU average 8%). Additionally, 48% of the assessments for Mediterranean habitat types and 35% for species exhibit a “good conservation status”. To address biodiversity loss and retain ecosystem services, a **new management model for the country's protected areas** has been introduced. Following the incorporation of all Protected Areas Management Bodies in the structure of the Natural Environment & Climate Change Agency (N.E.C.C.A.) in 2022, twenty-three Special Environmental Studies (SES) and Management Plans (MP) are being carried out, covering our national Natura 2000 Network (446 sites) in its entirety. They aim to enhance environmental protection, through zoning of the areas and their respective land uses, along with site-specific terms and restrictions. Ten of these SES have been concluded and they have been subjected to Public Consultation, and one has already been approved. The process is ongoing and expected to be concluded by the end of 2023.

As regards the full implementation of the provisions of the Water Framework Directive, the drafts of the updated **3rd river basin management plans (RBMPs)** are expected to be ready for public consultation by Q2 2023 and to be finalised by Q4 2023. Additionally, regarding the implementation of the Flood Directive (2006/7/EC) and the development of the **2nd national flood risk management plans**, the update of the hydrometeorological time series data, resulting in the new updated rainfall intensity-duration frequency (IDF) curves, and the new digital elevation model (DEM) of high spatial resolution were already concluded within Q1 2023. The drawing of **Flood Hazard Maps and Flood Risk Maps** is ongoing, hence the 2nd stage of the implementation of the Flood Directive is expected to be finalised by the end of 2024. More detailed information is provided on Table 1 –2019 CSR 2, subpart 2.

The project for **codification of forest legislation** will ensure and facilitate the immediate and rapid access to the legislation by all interested citizens, businesses, legal and public administration stakeholders, including the judiciary authorities and local forest services. It started in 2021 and it is now at 95% of completion. It is expected to be concluded by the fourth quarter of 2023. The total cost of the investment is 1.5 million €. The draft codified text has been forwarded to the competent Central Codification Committee for assessment and comments will be incorporated into the final version by Q2 2023. In addition, by the end of 2023 it is expected to be submitted for ratification by the Greek Parliament's.

Along with the EU Forest Strategy towards 2030, Greece implements its National **Forest Strategy**, which is a big step towards implementing sustainable forest management and strengthening the

multifunctional role of forest ecosystems. The strategy identifies specific objectives as well as the necessary resources, assesses the adaptation of forests to climate change and promotes land use and land use change policies to preserve ecosystem services, maintenance of forest land coverage and connectivity to preserve habitats and biodiversity, afforestation and restoration of degraded forests, assessment and management of Greek forest genetic diversity; use of climate-resilient genetic material. Basic tool for both formulation and monitoring of the strategy implementation is the “Forests and forest areas Inventory and Monitoring System”. The development of the system is an obligation in the framework of the implementation of the terms of the United Nations Framework Convention on Climate Change (Article 4) and the Kyoto Protocol, in order Greece to calculate and report the emissions and absorptions of CO<sub>2</sub> and other greenhouse gases from various categories of land, including forest Lands, and for various actions, including afforestation, reforestation and deforestation, adaptation to climate change and mitigation. The system provides for the installation of a permanent network of sampling areas and all the forest areas of the country and will collect and process data for the calculation of CO<sub>2</sub> emissions / absorptions from aboveground and underground biomass. The project is expected to be completed by the fourth quarter of 2023. The total cost of the investment is estimated at 6.5 million €. More detailed information is provided on Table 1 –2019 CSR 1, subpart 1.

Furthermore, the **Rural Development Programme** finances **Investments in the development of forest areas and improvement of the forests sustainability**. The specific measures deal with afforestation, forest damage prevention actions against biotic and abiotic threats such as fires, pathogenic organisms and flood phenomena. Currently, both the island regions and Attica will be given special focus in terms of the actions related to restoring damages in forests and forest areas. Also in relation to afforestation of agricultural land, a new call has been planned for 2024, based on the Strategic Plan for Common Agricultural Policy 2023-2027. More detailed information is provided on Table 1 –2019 CSR 1, subpart 1.

The National Plan for the Reconstruction of Agro-Environmental Infrastructure includes actions that are supported by the Rural Development Programme and particularly **“Ground improvement infrastructure”** whose objective is to achieve a balance between the protection of the environment and the improvement of agricultural competitiveness. Improving the efficiency of water use in agriculture requires a holistic approach to the operation and management of the system: water abstraction-transportation-distribution - application to the plant. So far, 109 projects have been approved for a total budget of 562 mil €, while a new call has been published and the evaluation of the proposals is under way with an expected number of 110 projects to be approved and a respective total budget of 250 m €.

The need for investment in marine biodiversity and ecosystem protection is covered by three main actions that are funded under the European Maritime and Fisheries Fund. A: **“ Innovation linked to the conservation of marine biological resources”**, whose purpose is to phase out discards and bycatch, to reduce the impact of fishing on the marine environment and protected predators and to include improved fishing techniques and improved selectivity of fishing gear. Four relevant projects are being implemented and will be completed by the end of 2023.

B. The action **“Innovation in Fisheries”** aims at development of new or significantly improved fishing products and equipment, new or improved processes and techniques. Eleven (11) relevant projects are implemented, three of which create a direct positive impact on marine biodiversity and will be completed by the end of 2023.

C. **“Construction of Artificial Reefs”** is also an action for the protection and improvement of marine fauna and flora. Two artificial reef construction projects were implemented within the period Q2 2022-Q1 2023.

### **3.9. Very high-capacity digital infrastructure and digital technologies/digitalisation**

#### **Part A - Introduction**

Greece’s digital transformation which will lead the country to bridge the existing gaps when compared to other EU countries, is a crucial challenge undertaken by the **Ministry of Digital Governance**. By gathering a large part of the critical IT and telecommunications structures under one authority, one of the main objectives of the Ministry is to facilitate strategic planning, coordination and control to accelerate digital transition through connectivity. Initially, the Digital Transformation Bible, which constitutes the main source outlining Greece's digital strategy, incorporated the first actions aiming at enhancing connectivity. The National Resilience and Recovery Plan “Greece 2.0” has promoted appropriate measures to support connectivity further, through a holistic approach comprising both reforms and investments. Furthermore, in progress or announced private and public investments are expected to significantly address the shortfall in the availability of ultra-high-speed networks and services covering almost the entire country.

#### **Part B - RRP related**

The framework which coordinates the activities regarding connectivity is set in two RRP Reforms. The **“transition to 5G technology”**, describes a coherent plan regarding the preparation and monitoring of the development of 5th generation networks in Greece, while the **“Switch to fast broadband connections”** reform composes a coherent plan to accelerate citizens' access to ultra-high speed network connections. Relevant - both RRP and not RRP related - investments are connected to the aforementioned reforms.

More specifically, the investment of the **“Smart Readiness”** voucher scheme aims to upgrade existing buildings into smart ones and connect them to utility networks using new smart meters. It has been designed as a general administrative measure to ensure that any potentially interested operator, in any sector of the economy, would be able to use the infrastructure where technically possible. The vouchers cover part of the cost of general civil engineering works and structured cabling required as well as the cost of smart meters. The use of the voucher by the building manager does not impose any restrictions to end-users who are free to choose the service providers of their choice. On the 22nd of March 2023 the Information Society published the program guide and the online portal where all installers can apply in order to be approved for the program's official registry. By June 2023, citizens will be able to view the

national register of installers - in their area - and select one of them to apply for fiber optic and structured cabling installation.

Another demand stimulation project under the name “**Gigabit-Society**” aims at the adoption of ultra-high speed broadband networks. Despite the increased availability, it appears that low demand remains a key problem calling into question the investment planning of the providers. As the experience of the Super-Fast Broadband (SFBB) action has shown, consumer support through the SFBB voucher contributed decisively to the increase in demand for super-fast broadband services. The project is highly connected with the complementary reform that focuses on fast broadband connections and the purpose is to support households as well as small and medium-sized enterprises to acquire ultra-high-speed broadband, by reducing the initial connection cost and monthly fees for a period of 24 months, aiming to create a critical mass of subscribers that can support the further penetration of services as well as the sustainable development of networks. The project has been submitted to the Recovery and Resilience Facility Coordination Agency (RRFA) for final approval and is expected to be launched by September 2023.

Furthermore, the “**Small Satellites**” investment primarily intends to create, produce, and launch small satellites with the capacity to carry several payloads for secure connectivity and other services. The investment is a significant step in putting Greece's ambition to use space technology and applications to provide advanced telecommunications services and integrate them into the Greek economy in effect. Greek high-tech firms are likely to be more capable of creating advanced digital services as a result of the development of small satellites (both in space and on the ground). Three out of four ITTs have already been published, while the last one is expected to be published in Q2 2023.

Moreover, the COVID-19 pandemic demonstrated that the conversion of cities into "smart cities" positively affects the daily life of individuals, workers, and businesses through a series of changes, related to telecommuting, e-democracy and enhancing transparency. The Greek “**Smart Cities**” project, under RRP, sets a series of objectives, at Municipality level, including a) increasing efficiency and accessibility to services b) reduction of poverty, unemployment and social exclusion, c) reduction of pollution and environmental impacts and d) collection of data for the purpose of disposal and their reuse for effective policy formulation. Until now the Recovery and Resilience Facility Coordination Agency (RRFA) has already approved 17 projects and the Ministry of Digital Government has already approved 17th Smart City Strategic Plans. The next step is the final approval of the public tender plans which will allow all Municipalities to enter the public tender phase, within June.

On the other hand, the project “**5G Corridors**” will be **redesigned** as private investments, co-financed by the Connecting Europe Facility and supported by the Ministry of Digital Governance, are in the implementation phase. Additionally, the Ministry of Digital Governance has participated as a partner in the proposals of the telecommunications providers to connect the islands with optical fiber and funding from the Connecting Europe Facility, while at the same time the UFBB project is in the phase of implementation. Therefore, the project “**Submarine fiber cables**” as proposed in the Recovery and Resilience Fund will be **redesigned**.

## Part C - Not RRP related

Concerning limited connectivity, several projects aim to improve the country's profile.

The **Ultra-Fast Broadband (UFBB) project** is a large-scale infrastructure deployment initiative that aims to increase the availability of next-generation broadband services throughout Greece. The project is being implemented as a Public-Private Partnership (PPP) with a total estimated budget of €700 million, of which €300 million is co-financed public expenditure funded by the Structural and Investment Funds of the European Union within the framework of the ESIF 2014-2020. The remaining funds will come from national resources and private funds. The primary objective of the project is to provide ultra-high-speed broadband connectivity to approximately 2,400,000 citizens in Greece, covering almost 18% of the population, while the intervention areas include 68 regional units. The UFBB project will develop an extensive network of ultra-high-speed broadband infrastructure, capable of providing an internet connection of at least 100 Mbps and upgradeable to 1 Gbps. The project is the most important intervention of the "National Plan for Next Generation Broadband Access 2014-2020" and it will contribute significantly to bridging the digital divide and enabling social and economic development in the intervention areas. The tender has been completed by Q3 2022, two contractors have been selected and the contracts are estimated to be signed in Q2 2023. More detailed information is provided on Table 1 – 2019 CSR 2, subpart 3 and 2020 CSR 3, subpart 7.

**WiFi4GR project**, a public initiative, is underway with the objective of installing 2500 public WiFi hotspots, which includes 5600 access points across the nation. The project is financed by ERDF and national resources with a total budget of 15 M€, and is currently in the contractual phase. More detailed information is provided on Table 1 –2019 CSR 2, subpart 3 and 2020 CSR 3, subpart 7.

**Super-Fast Broadband (SFBB) project** is a demand stimulation action, with a total budget of EUR 50 million and funded by national resources. The goal of this project is to subsidise the use of VHCN services, with EUR 360 for 24 months. The action has been fully completed by the 30th of September 2022, after being extended by 6 months, agreed with DG COMP. The final number of beneficiaries approximates 150.000 households and businesses.

Serving as a framework for the monitoring of the public and private projects, the **National Broadband Plan of Greece** aims to establish a strong, reliable, and affordable broadband infrastructure network throughout the country, thereby accelerating the digital transformation of Greek society and improving the lives of citizens. While Greece has satisfactory broadband coverage of high speeds, both fixed and mobile, it lags behind in ultra-high speeds, as compared to the European average. The plan includes a series of reforms and investments to ensure the availability of very high capacity networks (both fixed and mobile) and the strong penetration of services of ultra-high speeds throughout the territory. The plan's implementation requires active participation from all interested parties and has been ratified by a ministerial decision in Q4 2022.

The Ministry of Interior has launched the **Programme “Antonis Tritsis”** with the main purpose of implementing an integrated and strategic planning of development and social solidarity through the bodies of local government authorities (332 Municipalities and 13 Regions across the country). It will be implemented by the end of 2025. Its resources amount up to EUR 2.5 billion and if high absorption is achieved, there is a possibility of additional funding. During 2022, 337 funding applications were evaluated and integrated into the Programme with a total fund's budget of 960.370.216,28 €.

### 3.10. Promote digital transformation of businesses

#### Part A - Introduction

The promotion of digital transformation of businesses aims to increase the take up of digital technologies by businesses, reducing the digital gap between Greek small and medium sized enterprises (SMEs) and those of the European average. This is going to be achieved through a set of investments and reforms by focusing on the creation of digital infrastructure through funding for the acquisition and implementation of digital tools and processes, as well as increasing the digital awareness of businesses. To that end, investments concerning industry, such as the creation of new industrial parks, foster the deployment of digital advanced technologies within the Greek Industry. Innovation, science and research sectors stimulate digitalisation of businesses as well. Numerous projects in the area of applied research aim to develop digital technologies for business applications. Innovation in the ICT sector is expected to be connected with entrepreneurship, while the utilisation of the digital portal “Elevate Greece” for innovative start-ups will promote networking with other enterprises. Actions are coupled with funding both under the RRP and the Partnership Agreement 2021 – 2027.

#### Part B - RRP related

The implementation of flagship actions in interdisciplinary scientific areas and the creation of linkages to the productive industry, is expected to strengthen the links between science and businesses and contribute to reversing the "brain drain". There are several projects related to cutting-edge scientific topics within the RRP measure **Basic & Applied Research**. In this context, Greece is participating in the following European Partnerships/Joint Undertakings for: a) High Performance Computing (HPC-JU) and b) Key Digital Technologies (KDT-JU). Further details regarding these initiatives are provided within the framework of the challenge “Research and Development”.

With regards to the digital transformation of businesses, the Greek authorities are implementing a set of comprehensive measures. One of the key initiatives is the investment **Research - Create – Innovate**, which aims to fund 36 excellent proposals, 7 projects in ICT, evaluated with a very high score in the “excellence” criterion in RIS3 sectors. The main objective of the measure is to link academia and the productive sector. The investment aims to connect research and innovation with entrepreneurship with the ultimate objective of transitioning to quality, innovative entrepreneurship and increasing domestic added value. Announcement of the eligible applicants for funding was completed by the end of 2022 and the implementation of eligible interventions is in progress. Further details regarding this investment are provided within the framework of the challenge “Research and Development”.



The investment “**HORIZON 2020 “Seal of Excellence”**: financing top innovative companies” concerns 13 project proposals awarded with the Seal of Excellence, eligible for a grant through Horizon 2020. The main goal of this project is to link academia and the productive sector, by connecting research and innovation with entrepreneurship. Launching of the call, submission of proposals, and selection was completed by mid 2022 and the implementation of eligible interventions is in progress. Further details regarding this investment are provided within the framework of the challenge “Research and Development”.

Furthermore, the state aid program **New Industrial Parks** aims to the development of new generation industrial parks with interventions, among others, to actions that will fully support the digital transformation and the creation of smart industrial areas to adapt to the needs of Industry 4.0, sustainable development, and challenges such as the climate change and the occurring energy crisis. The relevant call for proposals of total budget EUR 64 million has been launched. The evaluation of proposals is expected by Q3 2023. Further details regarding these initiatives are provided within the framework of the challenge “Promote private investment to foster the economic recovery”.

In order to tackle the slow deployment of digital advanced technologies in Greece, the authorities designed a project regarding the **acceleration of smart manufacturing**. The project of smart manufacturing aims to financially support very small, small, and medium manufacturing enterprises of the Greek industrial ecosystem, for adapting to the needs of the digital and green transition. Primary goal is to increase business competitiveness and establish a resilient and future-oriented industry, through the enhancement of technological/digital infrastructure and the upgrade of manufacturing equipment using, inter alia, AI, robotics, machine learning, automation, etc., with zero environmental impact. The relevant call for proposals has been launched and is aimed at very small, small, and medium businesses. The evaluation of proposals is expected by early Q3 2023. Further details regarding these initiatives are provided within the framework of the challenge “Promote private investment to foster the economic recovery”.

Additionally, under the project **Extroversion of the Research and Innovation Ecosystem of Greece**, funded by RRF, the **ELEVATE GREECE** platform, a digital portal for accredited start-ups with features of innovation and scalability has been developed. In 2022, Elevate Greece S.A was established by law (4914/2022), a state-owned company that operates, further develops the startup ecosystem and also promotes: i) networking between innovative start-ups and enterprises, ii) the extroversion of the registered startups, iii) the attraction of investment funds from VCs and business angels, thus advances the digital transformation of businesses.

Moreover, the “**Digital transformation of SMEs**” investment aims to fill up the gap and strengthen the position of SMEs in the global market. The scope of the project is threefold. 1) The purpose of the “DIGITAL TOOLS for SMEs” is to strengthen the digital maturity of the country's small and medium-sized enterprises operating in a wide range of sectors of the economy. Through the Program, participating

businesses can be strengthened in order to modernise their productive, commercial and administrative function, upgrade the way of communication and collaboration and introduce new forms of hybrid work (hybrid workplace), digitise electronic transactions with customers and partners, including e-commerce, increase the level of security and trust in electronic transactions, through the exploitation of new digital products and services. 2) The "DEVELOPMENT OF DIGITAL PRODUCTS AND SERVICES" program supports investment for the development of new products and services in the IT and communications sector, aiming to strengthening healthy entrepreneurship through the use of ICT, strengthening the ICT sector (in terms of competitiveness and extroversion) and the creation of new value-added digital products and services with a strong commercial perspective and viability. The "DEVELOPMENT OF DIGITAL PRODUCTS AND SERVICES" will provide support, in the form of grants, for the implementation of investment plans that cover the entire development cycle of digital products and services. 3) The purpose of the "DIGITAL TRANSACTIONS" is the adoption of modern digital tools that support the processes of invoicing, issuing, processing tax documents and making electronic payments. The Program is aimed at small and medium-sized enterprises operating in the Greek territory and is expected to contribute to improving the productivity of SMEs, increasing the security of transactions, as well as strengthening their tax compliance. Applications for all 3 programs have been completed since the end of 2022. Until now 60.347 companies have applied for vouchers in the 1st project and 44.752 in the 3rd project. Additionally, in the 2nd project the total budget of the proposals that have been submitted has reached more than EUR 200 million, and they are currently in the evaluation phase. At the same time, the Ministry of Digital Governance and the Ministry of Finance prepare by the end of Q3 2023 the legal provision to enforce businesses that invest in their digital transformation to enjoy tax incentives.

To address the slow deployment of digital advanced technologies across the agri-food sector, a multi-level intervention for the digital transformation of the agri-food sector has been launched. In particular, the subproject *Digital Transformation of the Agricultural Sector*, includes the development of a large-scale open digital agricultural infrastructure, with cloud infrastructure and large-scale processing capabilities of earth observation data and multidisciplinary technologies. The project composes a cognitive agriculture environment for the technological support of the production process and the intelligent management of natural resources, both at a collective level and individually at parcel level. The call of tender launched in August 2022 until November 2022 and offers are currently evaluated. The contract award follows in Q2 2023.

### **Part C - Not RRP related**

**The design, preparation, and validation of a National Strategy for Research, Technological Development, and Innovation (NSRTDI - ESETAK)** is a fundamental obligation of the State. It concerns all the actions, which aim at the methodical and effective promotion of technology and innovation in the country. One major component of NSRTDI is the National Smart Specialization Strategy (RIS3) strategy, which was approved in June 2022. The priority areas that have been identified for the period 2021-2027 include digital technologies, therefore facilitates the digital transformation of businesses. Further details regarding this action are provided within the framework of the challenge " Research and Development".

The effort of Greece to expand economic activity above traditional and low-innovation sectors is shown by supporting other projects such as the establishment of **Innovation District (CHROPEI)** in which startups, large companies, academic institutions and startup incubators / accelerators will be able to coexist and collaborate. The aim is to bring research centres closer to companies, creating the right conditions to produce commercially viable innovative products and services. In a similar context, **participation in Important projects of common European Interest (IPCEI)** for Enhancing EU industrial strategic value chains, in critical sectors of the European market, such as Smart Health aims at developing synergies in the European area for reinforcing the European market in this area. Further details regarding this action are provided within the framework of the challenge “Research and Development”.

Beyond the aforementioned RRP measure, the **Research-Create Innovate** is a state aid action that is 100% RIS3 compatible and is co-financed by Greece and the European Regional Development Fund (ERDF). Its objectives are to link research to market and economy needs, integrate new knowledge and innovation into existing but also new products, services, production systems and value chains. A total of 1.123 research and innovation projects are funded with main beneficiaries being enterprises (72%), including SMEs. Further details regarding this action are provided within the framework of the challenge “Research and Development”.

Moreover, the initiative **Linking Research and Innovation with entrepreneurship and creating collaborative structures**, predicts: a) the development and utilisation of high value innovative products and services with international recognition and a high degree of competitiveness (Cooperative Innovation Formations-Clusters), b) the creation and function of Competence Centers whose main purpose is to boost innovation of Greek economic sectors through specialised, innovative services and products and know-how transfer towards businesses, specifically SME's and c) the creation of Technology Transfer Offices, whose purpose is to valorize the research results created in the country's Public Research Organizations (Universities, Research Centers) with an emphasis on the priority areas of the national RIS3 strategy, through the development of structures, know-how and human resources, thus enable the effective utilisation of research results by Industry.

Aiming at fostering the deployment of digital advanced technologies across all economic sectors, the Greek authorities launched the project of **Digital Transformation of Greek Industry**, regarding the implementation of the national strategy for the promotion of Industry 4.0 for the years (2021 - 2027). The project will contribute to: a) the development of a common understanding between the public administration, companies and citizens about the technology groups that make up Industry 4.0, and b) the effective use of European Structural Funds and other funding sources. Within the framework of the New Programming Period 2021- 2027, actions/projects that could be funded and implemented under the above framework are currently launched (see further information below).

**The implementation of a comprehensive and modern National Strategy for Industry** and the actions and measures under its context, which are in progress, will contribute in achieving a more competitive and innovative Greek industry/entrepreneurship, through (among others) green and **digital transition**, improvement of the business environment, access to financial and other support tools. The

development of the Strategy, as well as the Action plan has been completed. In particular, the Strategy incorporates the guidelines of the National Strategy for Digital Transformation and focuses on the digital and technological upgrading of the domestic industry.

**Regarding the Partnership Agreement 2021 -2027**, the new Programme "Competitiveness 2021-2027" (with a total budget of 3.8 bn public expenditure) was approved by the E.C. in June 2022. Within this Programme several actions will be implemented for the digital transformation of businesses. The first 3 calls for proposals on the Digital Transition of SMEs (basic digital transformation, advanced digital transformation and cutting edge digital transformation), with a total budget of EUR 300 million were issued in February 2023. The 1st amendment of the call for proposals for the Digital Transition of SMEs (basic digital transformation, advanced digital transformation and cutting edge digital transformation) was announced in April 2023. Implementation of selected projects is expected in the forthcoming period.

### **3.11. Education**

#### **Part A - Introduction**

Over the past four years, Greece has promoted a number of reforms aimed at enhancing the quality of education delivered to students, putting a special emphasis on the cultivation of skills and providing up-to-date educational content and pedagogies and promoting inclusiveness of migrants and unaccompanied minors. More training opportunities for students and trainees that are better tailored to the needs of the economy and the labour market is another goal of the Vocational Education and Training (VET) overhaul. In Higher Education, the reforms aim at creating more autonomous, outward-looking public universities as well as strengthening their connection with the job market, while a major reform in maritime education is being promoted. Being at the forefront of the Government's reform agenda, education is supported by a variety of funding sources and with an annual budget which exceeded €6 billion for 2023, reaching pre-economic crisis levels.

#### **Part B - RRF related**

The **development of skills, including soft and digital skills**, is at the forefront of Greece's education reform agenda. The Skills Labs is a new subject that has been added to the mandatory curriculum of all grades from pre-school to lower secondary education, with a focus on the cultivation of skills in topics ranging from robotics and sex education to diversity and human rights. The Skills Labs is in its second year of national implementation. To support the cultivation of digital skills, the digital transformation of education is well underway, with the delivery of 177,000 robotics kits, as well as the installation of more than 36,000 interactive whiteboards in all schools of Greece, from Grade 5 and up. Both projects are funded through the RRF, with budgets of €30 million and €150 million respectively. Furthermore, the upgraded new curricula are in their second year of pilot implementation in Model and Experimental Schools with new additions and updates, based on feedback received, ahead of their implementation at the national level. These reforms aim at achieving UN Sustainable Development Goal 4 and in particular

sub-goal 4.4 to increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

Further, Greece has embarked on an ambitious plan for the **digital transformation of education**. The RRP Investment aims to achieve an inclusive digital educational model (in terms of educational content, infrastructure, and services) in Greece, which is a prerequisite for building a resilient, extroverted Greek economy in the long term. Sub-project 4 “Voucher for technological equipment for students” and sub-project 3b “Voucher for technological equipment for educators” have already been completed in Q4 2021 and Q4 2022 respectively. The tender for public consultation for sub-projects 3a “Provision and installation of interactive learning systems” and 5 “Robotics and STEM learning infrastructure” was launched in Q1 2022 and -as above mentioned-the contractors/suppliers have been selected and implementation has begun, as of Q1 2023. Tender procedures for sub-project 6 “Digital tools for students with disabilities” and sub-project 9 “Digitalisation of school services” have also been completed, respective contracts have been signed, and implementation has initiated for both sub-projects as of Q1 2023. RFP for sub-project 10 “Digitalisation of university services” was published in Q2 2022 and it is currently under technical evaluation of offers, expected to conclude by Q2 2023. Business requirements for Sub-projects 1 “Digitalisation of educational content” and sub-project 8 “Regarding teacher training actions for the aforementioned subprojects” have been finalised. The publication of RFPs has been completed for the former in Q3 2022 and is expected in Q1 2024 for the latter, while contracts for relevant tender procedures are expected in Q2 2023 and Q2 2024 respectively. Business requirements for the remaining sub-projects, namely sub-project 2 “School vocational guidance using AI” and sub-project 7 “Development of Innovation Centers” are currently being finalised and will be followed by submission of RFPs and tender by Q2 2023 and Q3 2023 respectively.

At the same time the Greek Government places a strong emphasis on **upgrading Vocational Education and Training (VET)**. The overall VET framework aims to contribute to making VET an appealing educational pathway, primarily by improving its connection with labour market needs while boosting productivity and reducing unemployment, given that CEDEFOP's 2030 forecasts for VET show that 2/3 of jobs will require medium and low qualifications. The RRP Reform ‘Upgrading Vocational Education and Training’ includes the establishment of Thematic/Experimental IEK, the Establishment and Operation of Model EPAL, and the Digitalisation of EOPPEP. RFPs for these subprojects have already been approved by the Recovery and Resilience Facility Agency and they are currently at the development/maturity phase and a publication of tender has already been launched for the majority of foreseen actions. A new RFPs vis-à-vis the upgrade of a privately owned building of EOPPEP for the creation of a modern examination centre is expected to be submitted for approval by Q3 2023. The RRP Investment project “Supply of Equipment for VET Labs and the Funding of Traineeships” has been approved and a publication of tender has already been launched and some contracts have already been signed, although the majority of contracts are foreseen to be signed by Q4 2023.

Greece is also implementing the reforms envisioned in the new law for Vocational Education and Training enacted in 2020, which modernises the VET ecosystem bringing it closer to the actual needs of the labour market, at the national and local levels. Among reforms, the expansion of the number of

Experimental and Thematic Public Institutes of Vocational Training (DIEK), as well as Model Vocational High Schools (PEPAL) stand out. There are now 15 Experimental and Thematic Public Institutes and 25 Model Vocational High Schools respectively.

Following the introduction of the new legal framework for the VET national system (Law 4763/2020) in 2020, that incorporates the new operational aspects of the DYPA EPAS, DYPA now sets out to design and implement a new system to improve the quality control of DYPA EPAS and the **apprenticeship system**,<sup>8</sup> assess its output, and track the progress and performance of students in the labour market; it also pursues the simplification of learning processes and adoption of new methodologies and tools and digitised training content for apprentices and trainers; the assessment, redesign, and updating of the current curricula to further align them with the actual labour market needs; the renewal and modernization of the labs and equipment of the EPAS; the renovation of specific EPAS buildings in terms of upgrading the aesthetic value and education standards while improving energy efficiency and spatial functionality; an extensive "train the trainers" program for all DYPA educational personnel; and a promotional campaign to further promote the key pillars of the reform and establish a new role, that of the 'Ambassador for Apprenticeship'. All the aforementioned initiatives will enter the implementation phase within 2023.

Furthermore, **enhancing the link of HEIs with the labour market** has benefits not only for students (e.g. upgrading of job prospects), but also for HEIs (e.g. increase of potential funding), bearing numerous positive spill-over effects across the Greek economy and society. In Q3 2022, a new law was voted in, with significant provisions for the link of HEIs to the labour market – e.g. upgrading of internships, industrial PhDs, more flexible framework for the operation of start-ups, supplementing an earlier law introduced in Q4 2021, which set a more effective and flexible framework for the operation of spin-off companies. The realisation of the sub-projects of the RRP Reform 'Strategy for Excellence in Universities & Innovation' is expected to generate a multitude of positive ripple effects throughout Greek society and economy. Cooperation between Higher Education Institutions (HEIs) and the labour market has already increased as the appreciation of the RRF sub-projects has begun. Sub-project 1.1 "CREs Clusters of Research Excellence" is currently in the final stages of publishing the relevant call for applicants, with the invitation draft being finalised and sent out to universities. Following the academic community's feedback and comments, the project's release date will be in Q2 2023. Calls for proposals are being finalised for sub-projects 1.2 "Visiting Professorships" and 4 "Trust Your Stars" with estimated release dates in Q2 2023. The call for proposals of sub-project 3 "Industrial PhDs" was published in Q1 2023, and the submission of applications has already begun. This project is a significant milestone in linking education to the labour market. Sub-project 5 "Educator Certificate" is in the process of issuing the relevant Ministerial Decision for the initiation of funding of this project, with an estimated inclusion date

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<sup>8</sup> The Dual Apprenticeship system combines two years of school-based theoretical and laboratory education with paid and insured work-based apprenticeships in the private and public sectors. EPAS students complete their apprenticeships in small, medium-sized, or large enterprises and public organisations. The apprenticeship model, as implemented by DYPA, has proven to be highly effective, as a significant percentage of EPAS students/apprentices continue to work for the same employer in the private sector even after completing the apprenticeship program.

of Q2 2023. Finally, the tender process for sub-project 6 “Digital Transformation of the National Hellenic Libraries Network” has successfully begun and upon its completion an implementation contract is to be signed in Q3 2023. All these projects are crucial in strengthening the economy’s collaboration with HEIs with benefits for students, such as upgraded employment prospects, but also for HEIs and enterprises that invest in research and development, including the potential for increased funding.

Last, but not least, the **internationalisation of HEIs** is a key priority of the Ministry’s reform agenda to render HEIs better connected to the global education community and broaden their scientific horizons. The strategic partnership with the USA has already resulted in the establishment of several partnerships with top-tier universities (e.g. Yale, Harvard, Columbia) and culminated in the Pharos Summit, a visit of 30 leading US universities to Greece in Q4 2022. The strategic partnership with the UK is also expected to lead to the establishment of similar partnerships by Q4 2023. The higher education law voted in Q3 2022 further decentralised decision-making vis-à-vis internationalisation, providing Greek HEIs with increased possibilities for international mobility and collaborations on studies and research. Previous legislative changes included provisions on the modernisation of the Greek NARIC (DOATAP), offering a more flexible framework for the academic recognition of degrees from foreign HEIs (i.e., for students that have studied abroad and want to continue their studies in Greece). Sub-project 1.2 “Visiting Professorships” of the RRP Reform “Strategy for Excellence in Universities & Innovation” has been approved by the RRFA and is now in the process of finalising its call for proposals. The relevant invitations, to be published by Q2 2023, are expected to attract foreign academics and researchers, who will contribute to the internationalisation of the Greek academic environment contributing to its overall quality upgrade and also assisting in reversing brain drain and moving towards a status of brain gain. Through sub-project 2 “Universities of Excellence”, 4-7 Greek HEIs will be funded on the basis of their strategic plan in order to upgrade and improve their research and educational infrastructures that will contribute to the international positioning and extroversion of Greek HEIs due to their strategies to promote outstanding research and their ability to compete on an international level. Furthermore, a project regarding the internationalisation of HEIs is in development as part of the NSRF 2021-2027 framework, with more details expected in Q2 2023. Benefits of Universities’ extroversion and internationalisation have become increasingly important in today’s globalised world and extend well beyond the academic community, encompassing both the economy and the wider society.

In the context of the **Action “Promote integration of the refugee population into the labour market”**, which is funded by the (Greek) National Recovery and Resilience Plan (Greece 2.0)”, vocational education and training to third country nationals (TCNs) is provided. TCNs attend a preparatory vocational course, totaling seventy (70) hours to enhance their access to the labour market in eight (8) different sectors: the agricultural, construction and tourism sector, female employment, protection services for vulnerable groups, empowering third country nationals to prevent and adequately respond to human trafficking and, finally, in the field of environmental and civil protection.

#### **Part C - Not RRP related**

For the first time in almost two decades, the Greek Government **upgrades learning content via new curricula and textbooks**. New school curricula focus on learning outcomes rather than the mere transfer

of knowledge, include updated material in line with cutting-edge scientific developments, and bear a significant emphasis on the cultivation of students' skills, including digital skills. 166 new curricula, across all subjects of all grades of general education, were completed in Q4 2021 and are currently in the second year of pilot implementation in all (120) Model and Experimental Schools, which will be completed in Q2 2023. Extensive teacher training has taken place vis-à-vis the new school curricula in the last year, with several phases already completed. The next phase of teacher training will commence in Q2 2023. The new curricula will be accompanied by new textbooks. For the first, there will not be a single textbook per subject, but instead teachers will be able to select among and combine sources from several approved textbooks, each with accompanying digital content. The relevant invitation is expected to be published imminently, in Q2 2023, with an ultimate goal of the implementation of the new curricula and textbooks across all schools in Greece, starting in school year 2023-2024 for pre-schools<sup>9</sup> and 2024-2025 for other schools.

Undoubtedly, **promoting wellbeing in schools** is a key learning goal to help students build resilience in a highly challenging world. The wellbeing of all members of the educational community is of the utmost importance, creating supportive communities for students, teachers, and parents, thereby allowing them to thrive and improving the teaching and learning process. Since 2019 the number of psychologists and social workers employed in schools has doubled, from 1,600 to 3,200 in the current school year. In Q1 2023, a new law was introduced instituting a new system for tackling school violence and bullying, creating dedicated support, counselling, and monitoring structures at all levels (school level, local administration, and national level), including an online platform for students to report bullying incidents anonymously, with the intention of creating safe and inclusive school communities, in which all students feel supported. These new structures are expected to be rolled out in Q2 2023. Large-scale teacher trainings (targeting over 150,000 teachers) on matters related to bullying are expected to commence by Q4 2023, supplementing the over 150,000 trainings that have already taken place on a range of issues, from digital skills to differentiated teaching, and the new curricula. Furthermore, the extension of the all-day school program from 16:00 to 17:30 was announced in Q2 2022 and implemented in Q3 2022 and piloted schools across the country. The aim behind the extension of the all-day school program is to better align school schedules with the schedule of working parents, supporting especially single-parent families. Finally, increases in teachers' salaries are expected in the near future.

Moreover, the introduction of a stronger **quality assurance with evaluation on all levels** is a high priority for the Greek Government. Evaluation, as a feedback mechanism, is a prerequisite for the improvement of the quality of the education system and, as an accountability mechanism, it is a necessary complement in the process of decentralising responsibility and reducing bureaucracy. The Ministry of Education and Religious Affairs has legislated and introduced evaluation on 3 distinct levels since Q3 2021: 1) The **evaluation of school units** is implemented universally across Greece, for the first time in the country's history. Each school unit submits an Internal Evaluation and a Collective Planning Report for the upcoming school year, as well as a relevant Action Plan. By Q2 2023, schools will have

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<sup>9</sup> It is also important to note that pre-primary education has been expanded to start from the age of 4 (instead of 5) and English language activities have been introduced in all public kindergartens.



completed the second year of this process, which will be repeated annually, with the next cycle commencing in Q4 2023. Regional education staff members then compile Reports of External Evaluation based on the material submitted by schools and overall conclusions will be drawn by the Authority for Quality Assurance in Primary and Secondary Education (ADIPPDE). 2) The **individual evaluation of teachers** was legislated in Q3 2021 and commenced in Q1 2023, after 41 years without any evaluation of teachers in Greece. Teachers who have been appointed in the last two years will be evaluated first, with the process being completed by Q4 2023. Those who receive a negative evaluation will undergo mandatory training, tailored to their specific weaknesses. This process will be repeated regularly for all educational staff (every 2 to 4 years). 3) The **evaluation of the educational system** occurs through the "Greek PISA", a new national assessment taken by students at a representative sample of schools across the country, in Greek language and mathematics. The data collected is used by ADIPPDE and the Institute of Educational Policy (IEP) to draw conclusions and propose policies. The first Greek PISA assessment took place in Q2 2022 and the next is scheduled for Q2 2023, with the process being repeated annually. It is worth noting that this is the first time that data on the performance of students has been collected in a systematic way at the national level<sup>10</sup>.

As regards the **integration of recently arrived migrants into the educational system** the Ministry of Migration and Asylum in cooperation with UNICEF and the Ministry of Education and Religious Affairs, launched the project 'All Children in Education' (ACE). It is a non-formal education programme, which aims at enabling migrant and refugee children (4-17 years old) who arrive in Greece to continue their education, by smoothly integrating to the Greek school system, while providing also special training and resources to teachers, as well as psychosocial support to children where needed. The project is implemented in reception facilities for asylum seekers across the country. Furthermore, an additional language training programme taking place in reception facilities has been included in and is expected to be funded by the National Programme of AMIF 2021-2027 (Asylum, Migration and Integration Fund). Moreover, regarding upcoming projects, a new project has been elaborated which aims at combating school dropout and enhancing children participation in formal education in overall 30 schools. The project is awaiting funding approval by the Regional Operational Programmes (ESF+) of the Regions of Attiki and Central Macedonia.

For the purpose of facilitating the **access of unaccompanied minors to education**, the Government has adopted a series of actions, such as supplementary tutorial courses for children that live in hostels for unaccompanied minors, constant information to the institutions that operate hostels and have in their responsibility or teach unaccompanied minors, activities for the empowerment of hostels' staff that support the unaccompanied minors in the accommodation structures etc. In addition, an innovative project is designed and implemented. More particularly in July 2021 the Special Secretary for the Protection of Unaccompanied Minors launched a "Mentorship" program addressed to minors reaching adulthood which are hosted in accommodation centres for UAMs such as shelters and SIL apartments,

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<sup>10</sup> Related to evaluation, is the expansion of Model and Experimental Schools from 60 to over 120 (138 as of September 2024) offering more high-quality free public education pathways to students, and helping drive the overall quality of education on offer in all public schools upwards.

with the aim of navigating them, by providing individualised guidance in every step of their journey; including reception, accommodation, education, ensuring children’s smooth transition to adulthood as well as their integration into the labour market. The project is implemented for the first time in Greece and led by former unaccompanied children, who reside in Greece and faced similar difficulties and challenges in the past and young adults who act as role models.

Regarding VET, the country’s first **Vocational Training Schools** (ESK) at level 3 of the Hellenic Qualifications Framework (and the European Qualifications Framework) have been founded, offering specialisations aligned to the needs of the labour market, particularly in industrial sectors. The next steps concern the foundation and implementation of more specialisations, such as ship carpentry, and the further expansion of the number of specialised VET structures in the future.

In addition, **non-formal adult education to third country nationals** is provided through the 360-hour integration courses (learning the Greek language and social skills) in the framework of the HELIOS integration programme where 9,509 refugees enrolled in integration education courses and 10,603 job counselling sessions for refugees since 2019, as well as through the Migration Integration Centers.

Furthermore, as regards higher education in Greece, **enhancing HEIs’ autonomy** and eliminating red tape has been a key mechanism for enhancing the performance and quality of HEIs, by optimising decision-making processes and thus, leading to better decisions and more functional HEIs. A new law for HEIs was voted in Q3 2022, with significant provisions for the decentralisation of HEIs, mainly vis-à-vis its governance model, undergraduate programs (new opportunities through minor, joint, and dual degrees), Master’s and PhD programs, as well as the undertaking of research and the promotion of entrepreneurship.

Lastly, in the field of Maritime Education, the objective of the project named “**Maritime Education Reform**” is to upgrade maritime education by enhancing the quality of study programs in both public and private schools. In this light, the reform seeks to establish a comprehensive maritime education system that includes clear standards, structure, organisation, and certification processes, as well as effective oversight of the financial, administrative, and educational functions of training and education institutions. To this end, a draft framework law is currently in the works for the reformation of maritime education and will be subject to a process of public consultation by the end of October 2023. The proposed legislation is slated for a vote in February 2024.

### **3.12. Skills, including digital skills and employability**

#### **Part A - Introduction**

A large part of Greece’s planned interventions concerns the new Public Employment Service (DYPA) and focuses on improving its operational functioning, creating innovative tools to promote employment, and upgrading the training system while at the same time skills mismatch is addressed by upgrading the national Mechanism of Labor Market Diagnosis. It is important to note that Greece now has a cohesive National Skills Strategy, and that RRF funding is utilised in this direction: more than 500,000 people are

expected to be trained in, inter alia, green and digital skills by 2025 (almost 150,000 are already trained). These training programmes are addressed to both unemployed and employed people from different educational backgrounds and age groups. Additional skilling/ upskilling/ reskilling programmes are ongoing for 250.000 public employees, for employees in the tourism sector and a special training for people in the sports sector. With a focus on digital skills, two more initiatives are being implemented, the Greek National Coalition for Digital Skills & Jobs and the National Academy of Digital Competencies (NADiC).

### **Part B - RRP related**

In 2023, Greece is making significant progress towards **modernising and upgrading the upskilling and reskilling system**, setting the goal to increase the effectiveness, efficiency, and relevance of the lifelong learning system and reinforce upskilling and reskilling practices across sectors. This set of reforms and investments aims to develop an innovative labour market diagnosis mechanism, design and deliver informed policies to upgrade human capital and improve labour market outcomes, and contribute to higher and more inclusive long-term growth. A new legal framework for implementing upskilling and reskilling policies was established, including a system for subsidised vocational training, the establishment of Individual Learning Accounts and the establishment of a National Skills Council which is responsible for the drafting and the annual update of the National Skills Strategy. The first National Skills Strategy was introduced in June 2022 and two major training programs have been designed and are being implemented for 150,000 employed and 120,000 unemployed beneficiaries with a strong emphasis on digital and green skills. Implementation of horizontal upskilling/reskilling programs for unemployed and workers in high-demand sectors, with a strong focus on digital and green skills will follow and a national skills platform will be developed ([skills.gov.gr](https://skills.gov.gr)) to make learning programs accessible to everyone.

The complementary **reform of labour force skilling, reskilling, and upskilling through a reformed training model** aims to reduce labour market segmentation while improving labour market participation, with a special emphasis on vulnerable groups. The action places a strong emphasis on strengthening the link between education and training and the labour market, developing skills for green and digital transitions in support of promoting a sustainable economy, and reducing the digital divide, which is crucial in the post-pandemic labour market landscape. The action plan includes six sub-projects aimed at improving vocational training in DYPA. The first sub-project is to design and implement a system to improve quality control of vocational training units, while sub-projects two and three focus on updating vocational training modules to cater to current and future labour market needs and developing e-learning content. Sub-project four involves implementing vocational training programs for unemployed individuals with an emphasis on basic, horizontal, and green skills. Sub-project five aims to reform the vocational training system Special Fund for the Employment and Vocational Training (LAEK) and its funding mechanism. Finally, sub-project six involves modernising 49 existing labs and equipment in DYPA's educational units.

In addition, Greek authorities implement a major project regarding **upskilling / reskilling of 250.000 public employees**. The project aims at transforming the skills of civil servants as well as those of new staff. It includes development of a modern, flexible and effective system of personalised training needs assessment through targeted questionnaires and / or interviews per staff category and specialty, development of an electronic educational platform that will provide the possibility of either synchronous (if required) or asynchronous education, a thorough analysis of the skills of the existing staff in order to identify its strengths and weaknesses through the development of 30 training modules related to skills / competencies of civil servants as well as an update of the Specific Job Descriptions which will be the basis for all functions of the Human Resources skills framework. The relevant contract was signed at the end of February and the first deliverable that concerns the 30 training modules in which civil servants will have to be trained and certified, will be submitted at the end of May 2023.

Furthermore, **the upskilling and reskilling of human resources in the tourism industry**, is a measure which aims to equip the workforce of any age with the skills needed in the labour market as well as with skills in line with the green and digital transition of the EU, by means of brief vocational programs. The overall review of the project's planning has been completed, as well as the preparation of the JMD regarding (indicatively) courses' specialty areas, curricula, terms and conditions of educational units' selection, candidates' selection and program evaluation procedure. Next steps until Q2 2024 include: i) the contract for the PMO that will assist the Ministry of Tourism in the implementation of measure; ii) the agreement with Computer Technology Institute "Diophantus" for setting up the digital platform for applications' submission and registries' management; iii) the call to educational units that will undertake the implementation of the educational program; iv) the call to accreditation bodies responsible for the accreditation of the participants to the program; v) the call to potential beneficiaries for attending the training courses and vi) the completion of the first cycle of courses (out of four at the most). The total budget of the project is € 46,744,96 (including VAT).

#### **Part C - Not RRP related**

Another significant reform regarding the matching of reskilling/upskilling with the labour market needs is the **upgrading of the capacity and extension of the operation of the national Mechanism of Labor Market Diagnosis for the period of 2021-2023**. This responsibility has been transferred to the Unit of Experts of the Labor Ministry (MEKY), which is authorised to conduct a series of actions for skills intelligence. These actions include the development of an interactive tool for skills intelligence, business surveys on green and digital skill needs, econometric skills forecasts, training of ministerial staff to harvest labour market intelligence from the Business Intelligence software used by the Mechanism, and coordination of the Regional Mechanisms of Labor Market Diagnosis (Tableau). The implementation of this project by the selected contractor began at the end of 2022 due to the delays caused by the transfer of responsibilities from the National Institute of Labour & Human Resources to MEKY, which has now been completed. The project has already delivered the first deliverables of the Work Packages on econometric skills, training of ministerial staff on BI software for labour market intelligence, and coordination of the Regional Mechanisms of Labor Market Diagnosis. The next steps involve completing

the rest of the deliverables of the Work Packages mentioned above, and undertaking and completing other Work Packages of the Project, such as the development of an interactive tool for skills intelligence and business surveys on green and digital skills.

Moreover, the **Individual Skills Account** is an innovative tool with a dual function. Firstly, it acts as a "resume" of its owner, containing all of their obtained certifications. Secondly, it provides a record of all subsidised training they have received, as well as their right to further training. The Individual Skills Account works as a digital record that its holder can use to verify their existing skills and their acquisition of new skills. At the same time, competent authorities can use the account to determine whether and when the account holder is eligible for continuing vocational training, or to support them in their efforts to be integrated or re-integrated into the labour market. The account is interconnected with and managed through the digital skills platform, which is accessible to trainees, their employers in cases of intra-corporate training, and to employment counsellors of DYPA. More detailed information is provided on Table 1 – 2020 CSR 4, subpart 1 and 2019 CSR 1, subpart 1.

**Eligibility of subsidised continuing vocational training providers** aims to improve the quality and effectiveness of the vocational training programs provided by Lifelong Learning Centers, and it is funded by European Social Fund and RRP. A Ministerial Decision deals with the specification of the eligibility criteria for providers of subsidised continuing vocational training, the definition of how they are to be fulfilled, and the development and implementation of the evaluation framework and Registry for eligible providers. DYPA is responsible for its implementation.

Regarding digital skills in particular, the **Greek National Coalition for Digital Skills & Jobs** is an alliance of public authorities, private companies and non-profit organisations that pursues to launch cooperative initiatives for digital skills (skilling- reskilling-upskilling). It is set in the centre of this national effort in order to upgrade digital skills, strengthen the employability and support the digital transformation at national, regional and local level, as part of a wider government skills policy. To achieve this target, the General Secretariat for Digital Governance and Simplification Processes of the Ministry of Digital Governance, the coordinator of National Coalition for Digital Skills and Jobs, develops a number of actions and initiatives related to digital literacy.

Moreover, the **National Academy of Digital Competencies (NADiC)** is a core initiative of the Ministry of Digital Governance in Greece, powered by GRNET, that responds to the emerging need of providing Greek citizens with high quality digital educational services. NADiC 's ambition to bridge the gap of citizen's digital literacy and foster sectorial digital leadership is fulfilled through a) development and hosting of Massive Open Online Courses (MOOCs) and b) design and implementation of national initiatives and sectorial programs enhancing digital citizenship and digital inclusion. The current courses' portfolio has evolved to 323 courses organised in 6 core digital domains (communication and collaboration, internet, common digital tools, digital entrepreneurship, computer science and cutting-edge technologies) addressing 34 related fields with respective generic or specialised content, created

by 40 expert providers. Further development of NADiC will be funded by the “Digital Transformation” Programme 2021-2027.

In this regard, it should be noted that the “**Digital Transformation**” **Programme 2021-2027** has been approved by the EU and will be financed by the European Regional Development Fund (ERDF) and the European Social Fund Plus (ESF+). The Program moves along three main strategic axes: the digital transformation of the Public Sector with a total budget of 400 million euros, the strengthening of digital connectivity with high-speed broadband access with a total budget of 400 million euros and the development of digital skills with funding of 113 million euros. The proposed actions within the digital skills axe include the development, retraining and upgrading of digital skills either through distance learning, synchronous or asynchronous e-learning, physical presence or in combination, on a case-by-case basis, with the possibility of certification (in cases where it is applicable and appropriate), while for all related programs the developed electronic educational material will be available to all citizens.

Finally, the Ministry of Interior in cooperation with the National Center for Public Administration and Local Government along with Microsoft Company has implemented **civil servants’ training programs** which aim to **develop basic and specialised digital skills in cloud technologies**. To date, approximately 3,500 IT staff have been trained by certified Microsoft instructors in interactive seminars (virtual instructor-led seminars) which include online labs as well as exam preparation environments. In particular, the purpose of the training programs is to focus on basic and specialised digital skills in cloud service management technologies, cloud concepts, data management services, security, information protection and compliance in the cloud environment. The programs are targeted at users who aspire to improve their productivity by automating business processes, analysing data to generate business insights and acting more efficiently by developing simple applications. Participants have access to Microsoft materials and are given the opportunity, after the end of the training program, to receive certification according to Microsoft standards. From April 2022 to March 2023, 89 courses have taken place (of which, 33 on fundamental skills - 56 on advanced role-based skills) with the participation of 2.439 (1.441 in fundamental courses and 998 in advanced role-based courses). Microsoft has been authorised to develop a tool in order to assess and cover all employees’ digital needs, in the context of reskilling and upskilling 250.000 civil servants. In collaboration with Microsoft, 22 courses have been scheduled for advanced role-based skills, expecting approx. 600 participants.

Furthermore, an **Institute for the Training of Sports Executives** was established, through the law 4809/2021. The purpose of the new institution is the continuous training of the administrators, who participate in sports bodies or sports organisations, of all levels and the dissemination of the principles of modern management in amateur sports. Last year, many organisational matters have been developed. The composition of the Board of Directors has been completed, with the participation of the Region of Western Greece, the Municipality of Ancient Olympia, the Hellenic Olympic Committee, the University of Peloponnese and the Deputy Ministry of Sports. Meanwhile, it was decided that the centre of the Institute will be located in Ancient Olympia. The following year, until the Q2 of 2024, the main

goal is the operational readiness of the Institute in order to be able to organise the first lessons for the Sports Executives.

Moreover, the Ministry of Tourism aims to **upgrade and modernise tourism education and training**. This action includes: (i) the **Establishment of an Academy of Tourism** to upgrade the tourism education provided via monitoring modern international trends as well as modern needs of the tourism market and adapt to them, (ii) the reform of the **Study Regulations for the Advanced Schools of Tourism Education**, which aims at updating and modernising the regulatory framework of A.S.T.E. so that it conforms to the latest change of the Study Guide. (iii) The adoption of a **Joint Ministerial Decision regulating tasks and obligations for the educational staff of the Vocational Training Institutes of Tourism (V.T.I.T.)**, for enacting and implementing a formal framework for the workplace of V.T.I.T.s' instructors and upgrading the training offered by the V.T.I.T.s and their overall operation, and (iv) **Continuous vocational training / Educational programs for unqualified employees and temporarily unemployed professionals**, which aims to enrich their skills and training, enhance employment opportunities, and reinforce the adaptability of tourism enterprises and professionals to the rapid developments in the hospitality industry. During the educational period 2021-2022, trainees completed the program, besides almost 270 trainees who have recently started attending courses (educational period 2022-2023). Furthermore, the regulation on the operation of V.T.I.T. was updated and published within Q4 2022. The next steps by the end of 2023 include: i) a presentation of the results of "Reforming Tourism Education in Greece" project regarding the Establishment of an Academy of Tourism; ii) public consultation of the Academy's legal framework; iii) completion of the Reform of the Study Regulations for the Advanced Schools of Tourism Education; iv) issuance of the Joint Ministerial Decision regulating tasks and obligations for the educational staff of the Vocational Training Institutes of Tourism and v) planning for educational period 2023-2024 (indicatively including communication with educational units and labour unions, budgeting, candidates', and trainers' selection), on condition that sufficient funding will be ensured.

In addition to the aforementioned action, the Ministry of Tourism aims to the **enrichment of special skills of the human resources employed in the tourism sector**, which consists of: (i) **Planning and implementing First Aid Training** for students of all educational units of the Ministry of Tourism to develop skills and competences to act when emergencies arise and provide care when needed. The training was implemented on the 27th of March 2023 by the Humanitarian Organization "Kids Save Lives" in an online environment, and (ii) **Planning and implementing training courses on preventing bullying, violence and sexual harassment** in order to provide students of the educational units of the Ministry of Tourism (to be employees of the tourism sector) with the ability to deal with any kind of bullying, violence and sexual harassment behavior they witness during work or cope with aforementioned behaviour towards them. In this context, workshops were co-organised by the Ministry of Tourism within 2022, in order to inform and raise awareness among current as well as future hotel employees for the identification and reporting of cases of sexual abuse of minors in tourist accommodation. Next steps by the end of 2023 include: i) the organization of two training courses on preventing bullying, violence, and sexual harassment; ii) the implementation of relevant seminars at the

Vocational Training Institutes; iii) the implementation of relevant seminars at the Higher School of Tourism Education and iv) the implementation of relevant seminars at the Guide Schools.

Lastly, the development of a **national strategy for financial literacy** for Greece aims to increase the financial literacy of the whole population in Greece, as a way to empower people to make effective financial decisions, use traditional and innovative financial services safely and avoid over-indebtedness, with huge positive implications for private debt in the long term. The project includes a high-level document and an action plan with key performance indicators. The European Commission has decided to fund the request and provide the technical support to Greece, in accordance with the TSI Regulation, together with the OECD, setting a deadline for implementation of 24 months. Within the first reporting period, the planning was completed and the surveys included in the project activities, which concerned the determination of the existing level of financial literacy for adults and minors were concluded. From 26/9/2022 to 18/11/2022 the financial literacy survey was carried out in the selected schools, and was successfully implemented by achieving the quantitative target of the sample. Similarly, the Survey to measure financial literacy of adults was completed in July 2022. In March 2023, the updated draft Mapping report was received by the OECD, including data sent by stakeholders for the year 2022. In the next period, the publication of the final text of the Mapping Report on the existing level of financial literacy, the final benchmarking report, the drafting of the National Strategy and the implementation of a dissemination event to present the strategy, will take place. More detailed information is provided on Table 1 – 2020 CSR 4, subpart 1 and 2019 CSR 1, subpart 1.

### 3.13. Research and Development

#### Part A – Introduction

The Greek authorities aim to increase further public and private investment in research and development (R&D), strengthen the links between science and business, and develop a world-class pioneering R&D infrastructure. This will be achieved through a series of projects, as well as through reforms aimed at encouraging innovative companies to invest in R&D. The measures described below will help strengthen the links between academia and the productive sector by increasing the competitiveness of Greek industry, increase the exploitation of intellectual property rights, reverse the "brain drain", strengthen the Greek start-up innovation ecosystem, and mobilise business R&D expenditure. The fundamental axes of interventions are the following:

**A. Strengthening the link between science and business.** This is going to be achieved through several measures such as a reform that increases the extroversion of the Greek ecosystem, the European HORIZON program that promotes the cooperation of R&D ecosystems with other countries, as well as the Elevate Greece platform for the emergence of newly established R&D companies.

**B. Promotion of public and private investment in R&D.** Measures include the development of the Research-Create-Innovate program to promote innovative ideas and the implementation of a program to fund basic research in areas of significant growth. Within this axis, measures such as upgrading the



infrastructure of the country's research centers, creating a new generation of technology parks to develop collaborations between the academic research and business environment are also included. Finally, the development of an information system that will facilitate the authorities to make real time decisions for physical phenomena and natural disasters will be an innovative system for security, defence and civil protection.

#### **Part B - RRP related**

Within the framework of the RRP measure on **basic and applied research**, there is a project aimed at establishing new and technologically advanced institutes/networks: a) a Molecular Oncology Network, b) a Robotics and Unmanned Systems R&D institute, c) an applied R&I Institute on AI, as well as the develop data processing and algorithms, d) Deliver market translatable sustainable materials technologies in collaboration with MIT. From 1/4/2022 to 31/3/2023 all projects have been established and all of them have been incorporated at the RRF for funding. One of them has already received the first funding and the other 3 will receive funding until the end of April 2023. Until the end of Q4 2024 the projects will deliver their first achievements and deliverables.

Another project aims to **support major flagship collaborative research projects of an interdisciplinary nature**, of high scientific and technological quality. The implementation of the project will contribute to the integration of research and innovation in the productive fabric of the country and to the reversal of the "brain drain". The decision to approve this project and the relevant funds in the RRF has been issued, as well as the decision to call for research proposals, in the context of which 20 research project proposals have been submitted. The process of evaluating the proposals by 5 thematic evaluation committees is ongoing. For the period 1/4/2023 – 30/6/2024 it is planned: a) the completion of the process of evaluation of proposals and evaluation of objections, as well as the issuance of the decision to approve the funding of 12 collaborative research projects by the end of Q2 of 2023 and b) the payment to the beneficiaries of the public funding corresponding to the 1st instalment.

Moreover, there is a project aimed at **enhancing the international networking of the Greek R&I ecosystem through participation in the 2 European Partnerships/Joint Undertakings for a) High Performance Computing (HPC-JU) and b) Key Digital Technologies (KDT-JU)**. This project contributes to the increase of R&I spending as the national funds will be topped up (by 30-50%) by EU funds. Up to know, 2 Ministerial Decisions have been signed and published enabling participation of Greece to the two European Partnerships. This was followed by a decision approving the project and relevant funds to the RRF. A separate ministerial decision by the Deputy Minister for Development and Investments was signed and published, setting the general national rules for the funding and monitoring of the R&I projects. The relevant call for proposals is planned for the end of Q3-2023.

In addition to the above mentioned, an important action on **Creation - Expansion – Upgrade** of Infrastructures of Research Centers supervised by the General Secretariat of Research and Development (GSRI) has been launched. The action includes co-financing by the European Investment Bank and aims to upgrade/expand the infrastructure of 14 Research and Technological Centres, and enhance their research capacity and capabilities in important areas of science and technology. The call for proposals

for the 14 Research and Technological Centres has been launched, the projects have been evaluated by experts and 5 have been incorporated for funding in the RRF and they have received the first funding (40% of the total budget). The invitations to contractors will have been completed by 30/6/2024.

Another relevant measure is **Research - Create - Innovate**. The measure aims to fund 36 excellent proposals, 29 projects in RIS3 sectors apart from ICT, evaluated with a very high score in the "excellence" criterion in RIS3 sectors. The main objective of "Research-Create-Innovate" is to link research and innovation with entrepreneurship and to enhance the competitiveness, productivity and extroversion of companies in international markets, with the aim of transitioning to high quality and innovative entrepreneurship and increasing domestic added value. Launching of the call, submission of proposals, selection and announcement by GSRI of the eligible applicants for funding was completed by Q4/2022. All projects are in the implementation phase. It is expected that around 60% of eligible interventions will be completed till Q2/2024.

Furthermore, under the project Extroversion of the **Research and Innovation Ecosystem of Greece**, funded by RRF, the **ELEVATE GREECE** platform, a digital portal for accredited start-ups with features of innovation and scalability has been developed. In 2022, Elevate Greece S.A was established by law (4914/2022), a state-owned company that operates, further develops the startup ecosystem and also promotes: i) networking between innovative start-ups and enterprises, ii) the extroversion of the registered start-ups, iii) the attraction of investment funds from VCs and business angels. By Q3 2023, the notification of the contract award for the upgrading of the "Elevate Greece" platform is expected.

Last but not least, the measure **TH2ORAX: Trellis Holistic & Hybrid Operational Ruggedized Autonomous eXemplary system** constitutes an applied research project. It is about the creation of a "next generation" integrated information system for the country, based on AI & Machine-to-Machine Learning technologies and comprises of different types and forms of collaborative infrastructure with direct impact on the way institutions make real-time decisions on security, defence and civil protection. A Memorandum of Cooperation has already been signed and a Communication and Coordination Committee has been set up among the authorities involved, as well as the designation of the implementation agencies. By the end of Q2 2023 the design & preparation of the public contract and the award procedure will have been completed.

#### **Part C - Not RRP related**

**The design, preparation, and validation of a National Strategy for Research, Technological Development, and Innovation (NSRTDI - ESETAK)** is a fundamental obligation of the State. It concerns all the actions, which aim at the methodical and effective promotion of the basic and applied research, technology and innovation in the country, the formation of the options for the future and the prediction of the means required for the realisation of the strategy. One major component of NSRTDI is the National Smart Specialization Strategy (RIS3) strategy, which matured through a bottom-up procedure and was finally approved in June 2022 with the issuance of the Joint Ministerial Decision Nr. 66021 (National Gazette B'3359/30.06.2022). For the formulation of the NSRTDI 2021-2027, a study has been

forwarded to the National Council for Research, Technology and Innovation for opinion. Next steps include an Open Consultation on the draft NSRTDI, an Assessment of the results of the Consultation and finally the Submission of the final draft to the Parliament for Ratification.

The **evaluation of Research Centers and their Institutes** is a fundamental obligation of the State as well. The scope of the project is to evaluate the research institutes according to the Law 4310/14. So far, 34 research institutes have been evaluated by 180 experts who submitted their reports. From 1/4/2023 to 30/6/2024 the evaluation of 9 Research Centers will take place.

Beyond the aforementioned RRP measure, the **Research-Create Innovate** is a state aid action under Regulation 651/2014 supporting Research and Innovation projects that is 100% RIS3 compatible and is co-financed by Greece and the European Regional Development Fund (ERDF). Its objectives are to link research to market and economy needs, increase research-related jobs, integrate new knowledge and innovation into existing but also new products, services, production systems and value chains, and enhance economic growth based on knowledge. A total of 1.123 research and innovation projects are funded with main beneficiaries being enterprises (72%), including SMEs, universities and research organisations. More detailed information is provided on Table 1 – 2019 CSR 2, subpart 4.

In addition, another important project is **the support of national research infrastructures**, which is included in the Programming Period 2014-20 as a Multiannual Financial Plan for Research Infrastructures, in order to support investments in large-scale national research infrastructures (RIs), by the Operational Programme “Competitiveness, Entrepreneurship & Innovation” 2014-20 with 92.029.351 €. The concept of RIs is not limited to buildings and equipment, but also comprises human resources, know-how, information, networking and all intangible assets required for their operation and optimal use. The Plan includes 28 RIs mostly distributed, selected according to criteria of scientific and technological excellence and perfectly aligned with the RIS3 objectives. More than 92% of the budget has been already allocated to the beneficiaries, while the action ends on 31/12/2023. More detailed information is provided on Table 1 – 2019 CSR 2, subpart 4. Within this frame, there is also the **Revision of the National Research Infrastructure Roadmap for the 2021-2027 Programming Period**. GSRI has already prepared a Call for Expressions of Interest for the submission and pre-selection of Research Infrastructure proposals that was subject to Open consultation. Next steps include the assessment of the Open Consultation results, the finalisation and launching of the Call for Expressions of Interest, the evaluation of proposals submitted in an electronic platform and the pre-selection of the proposals to be funded by the Programme "Competitiveness" 2021-27, according to the procedures of the Managing Authority.

In a similar context, there is the **Innovation District (CHROPEI) programme**. The creation of the first Innovation District in Athens (CHROPEI), on the model of relevant Innovation Centers in other countries, will be a natural space, where large companies, academic institutions, startups and Startup Incubators/Accelerators, are hosted and cooperate, enhancing synergies, innovation and

entrepreneurship, not only at national but also at European and international level. It is estimated that more than 2,400 workers will be employed at the premises of the Innovation District. The implementation of the project is to be carried out entirely through a Public-Private Partnership. The deadline for the call of tenders was in December 2022 but the high rise of construction costs globally, led to a new call for tenders in 2023. The appointment of a contractor and the signing of the relevant contract is expected in Q4 2024.

Last, but not least, the **Linking Research and Innovation with entrepreneurship and creating collaborative structures** is an important priority to serve the goal of investing in Research and Development. The initiative comprises 3 actions: i. Cooperative Innovation Formations (Clusters), ii. Competence Centers and iii. Technology Transfer Offices.

The purpose of the **Cooperative Innovation Formations (Clusters)-CIF** is the development and utilisation of high value innovative products and services with international recognition and a high degree of competitiveness. The Action is held in two (2) Stages, each of them consisting of an equivalent Call. The first Call is ongoing and will have been completed by 31/12/2023 and the second Call has its first stage (evaluation) completed and the second one on going and expected to be completed by 31/12/2023.

The second action's main purpose is to foster completed projects for the creation and function of **Competence Centers** with the appropriate infrastructure and expertise. Competence Centers' main objective is to boost innovation of Greek economic sectors through specialised, innovative services and products and know-how transfer towards businesses, specifically SME's. The progress made so far consists of the completion of the evaluation of proposals, which has led to 11 Competence Centers that have gained accession in EPANEK and they are at implementation stage. Completion expected by 31/12/2023 (extension from Q2 2023). More detailed information is provided on Table 1 – 2019 CSR 2, subpart 4.

The objective of the Call of the third action, **Creation of Technology Transfer Offices** is to valorize the research results created in the country's Public Research Organizations (Universities, Research Centers) with an emphasis on the priority areas of the national RIS3 strategy. Its purpose is to develop the necessary structures, know-how and human resources for technology transfer to research organisations with the aim of: A) Research results can be effectively utilised by Industry and integrated into national or international value chains. B) For the Greek Research Agencies to acquire know-how in Technology Transfer issues C) To improve the country's Innovation indicators D) To increase the percentage of private investments in areas of high knowledge intensity and high added value. The call is under implementation and is expected to end in Q4 2023.

**Regarding the Partnership Agreement 2021 -2027**, at least 800 million euros of public expenditure under the new programme Competitiveness 2021-2027 shall be directed to support research and innovation investments, effectively addressing the challenges related to low investment in R&D. In the reference period 01/04/2022-31/03/2023 the project “Research - Innovate” under the Programme “Competitiveness” has been activated. The call for proposal for this project has already been pre-

published in February 2023 for the best possible preparation of the potential beneficiaries, with a total budget of 300 m euros, spanning in 4 different interventions. This call is expected to be issued by Q3 2023.

### 3.14. Renewal of urban areas

#### Part A – Introduction

The proposed investments concern the implementation of interventions in different urban areas that can have multilevel effects in the economic, environmental, functional and social revitalization of urban space. The proposed interventions aim to increase the quality of urban space, provide services, attract new functions and economic activities, transform local economies and promote the natural environment as well as climate change adaptation measures.

#### Part B - RRP related

Reforms that will improve urban ecosystems by modernising the legal framework for urban policy will support the efficient implementation of investments and contribute directly and indirectly to economic growth. A relevant reform under the title **“Establishment of new spatial planning for RES, industry, tourism and aquaculture”** promotes climate mitigation and adaptation, protection of biodiversity and development of the national economy, by contributing both to the increase of GDP and the establishment of new job positions. Towards the same goals, Law 4759/2020 is promoting the development of a more efficient spatial planning system which is being implemented through the elaboration and issuance of the Local Urban Plans (LUPs) and the Special Urban Plans (SUPs). The elaboration of the plans is being funded by the RRF in the frame of a project called **“Preparation of Urban Plans in implementation of the urban policy reform”**. The project will contribute to the preservation of cultural heritage and to the development of productive activities at both local and national levels, especially in the sectors of renewable energy sources, the circular economy, and the construction of “green” materials, digital applications, and products etc. LUPs and SUPs are related to the holistic reform of the national urban policy and the relevant planning system that horizontally affects a wide range of policy areas such as: environmental protection and adaptation to climate change (for natural ecosystems and biodiversity; agriculture; forestry; fisheries; water resources; coastal zones), built environment and development, protection of historic sites and buildings, allocation of the public infrastructure, allocation of investments etc. All the above mentioned actions have started in 2022 and will conclude by 2026.

Another ongoing reform, dealing with spatial planning in a more general sense is the **“Establishment of new maritime spatial planning”** for the implementation of maritime and coastal policy and the relevant planning systems. The success of the reform is a crucial parameter for the acceleration of investments and the sustainable growth and wellbeing in local and national levels, as its implementation will clarify and regulate the institutional framework (regulations and restrictions, protection areas, areas for the development of productive activities especially on the sectors of energy,

shipping, fisheries and aquaculture, tourism, mining etc) for the allocation and construction of all types of projects and infrastructures, the protection of environment and the definition of the measures to mitigate or/and adapt to climate change. The preparatory actions for the maturity of the project have been completed.

### **Part C – Not RRP related**

Another action is related to the **“Promotion of the climate Neutral Cities”**. It promotes the neutrality of Greek cities through their participation in the European Mission for "100 climate-neutral and smart cities by 2030". The Ministry of Environment and Energy organised and coordinated the current initiative and supported the Greek municipalities to prepare their files of participation. Greece focuses on taking actions for climate neutrality, which is the main goal of the European Green Deal, so that Europe becomes the first climate-neutral continent. The benefits will be disseminated to all citizens without exclusions, as the need for climate neutrality is directly linked to tackling the climate crisis and its devastating consequences for humans and of course for daily living in healthier, more functional, and aesthetically upgraded cities. At the same time, the Mission will create new jobs and develop economic opportunities in the clean energy and technology industries, while strengthening cooperation between public administration, civil society, academia, and business, increasing the importance of social cohesion and collective action.

Additionally, the **“Codification of Urban Planning”** will lead to the radical reorganisation, clarification, supplementation and simplification of the planning and zoning legislation, since it has the ability to abolish provisions that are deemed ineffective for achieving practical results, to remove provisions that have been implicitly abolished, as well as transitional provisions that are no longer applicable, and to adapt provisions to the current Constitution. Additionally, it will improve updating of provisions and the introduction of provisions to simplify or remove ambiguities of interpretation or correlation with similar provisions, the definition of the competent bodies in accordance with the existing organisational structure of central and decentralised services and local government bodies and any other changes necessary for the unity of regulation. More detailed information is provided on Table 1 – 2019 CSR 1, subpart 1 , 2020 CSR 4, subpart 1 and 2020 CSR 3, subpart 5.

In relation the project **“Land use relation to NACE activity codes”**, which is funded by the EU via the Structural Reform Support Programme (SRSP), (coordinated by the Directorate General for Structural Reform Support (DG REFORM) of the European Commission), aims to correlate NACE activity code, as referred to in the Greek National Nomenclature of Economic Activities, with the categories of land use, as defined in the National Land Use Nomenclature. This correspondence should, in addition, be extended to the correlation with the categories of activities of the existing legislation on environmental permits as well as with categories of land use provided for by previous provisions and defined by the existing urban plans.

### 3.15. Front-load mature public investment projects

#### Part A – Introduction

The Greek authorities, through a broad bundle of investments and reforms, are establishing an effective planning and monitoring mechanism for implementing large infrastructure projects. Within this context, the authorities modernise the legal framework of the Public Investment Programme (PIP), enhance the supervision of PIB budget execution, strengthen the credibility of PIB data, develop new functionalities as well as simplify the whole PIP process through the operation of the IT system "e-PDE". Moreover, the Ministry of Development and Investments established a new regulatory framework for the domestic part of PIP, the new National Development Program (NDP) 2021 – 2025, which includes 20 Sectoral, 13 Regional and 3 Specific approved Development Programs, with specific priorities, goals and actions.

Another top priority of the Ministry of Development and Investments, within the framework of the Partnership Agreement is to ensure the efficient management of ESPA funds. The national framework for the management, control and implementation of the 2021-2027 Programmes is already established, while the first calls have already been issued. At the same time the authorities are working towards the completion of the Management and Control System (MCS). Furthermore, an Integrated State Aid Information System (OPSKE) is developed to provide full support to the MCS procedures for the PP 2021-2027. In the same context, the modernisation of the public procurement system, through the implementation of the National Strategy for Public Procurement 2021 – 2025, includes measures of regulatory simplification and empowerment, digitization and professionalisation of the public procurement domain.

Last but not least, the Ministry of Infrastructure and Transport runs a state-of-the-art Portfolio Management Information System (PMIS) that will provide the tools to monitor and manage the life cycle of portfolios' projects. In the same context, the Project Preparation Facility (PPF), is a new independent operational unit in HRADF aiming to mature, carry out the tender process, and supervise the implementation stage for projects of strategic importance, which are classified as part of the "Strategic Project Pipeline" (SPP).

#### Part B - RRP related

**The enhancement of the public procurement system** is a reform which aims to build up a top professional work force in the public procurement domain and consequently render this domain more efficient and reliable. The reform also relies on the new regulatory framework of Public Procurement (Law 4782/2021) which simplifies the process of public procurement and accelerates the efficiency of public investment. So far, the project progresses according to plan as the Ministry of Development and Investment has concluded and signed an agreement/contract with the National Competence Center for Public Administration (EKDDA) which will ensure that EKDDA can undertake the upskilling and reskilling certification programs for public procurement domain professionals. The next steps include the completion of an action plan on professionalisation of public procurement domain, as well as the drafting of a new legislative framework focusing on public procurement sector that will lead to discrete

sectors of public procurement, specific skills' groups, and the adoption of financial and non-financial incentives to attract and maintain high skilled professionals.

In the same context, the Ministry of Infrastructure and Transport runs an emblematic project under the title: **“Digital integrated program management system for the administration of the technical works and structural assets of the Ministry”**. The goal of the project is to introduce a state-of-the-art PMIS (Portfolio Management Information System) that will provide the tools to the Ministry of Infrastructure and Transportation to monitor, manage and administer its portfolio of all technical works and assets. The system will provide accurate information in real time regarding deliverables, cost and schedule throughout the stages and life cycle of the performed works. The investment commenced in Q4 2021 and the tender will have been launched by April 2023. The investment is expected to be completed by Q4 2025.

### **Part C - Not RRP related**

The Public Investment Programme (PIP) is being considered as the basic instrument for financing public investments in Greece and a crucial pillar of fiscal transparency and optimum utilisation of financial resources. In this context, the Ministry of Development and Investment has decided to take action in order to **improve the supervision of Public Investment Budget (PIB) execution**, to strengthen the credibility of PIP figures, to enhance the monitoring of expenses and revenues and to provide and present PIP data in various dimensions, classifications and categories. During the last few months improvements have been implemented regarding the monitoring of PIB expenditure by sub-sector of the General Government. The next steps include the simplification of the relevant procedures as well as the upgrading of the PIP IT system “e-PDE” to support these endeavours.

Greek authorities are implementing from 2022 a technical assistance project financed by DG REFORM and entitled **“Modernising the Legal Framework of the PIP (21EL10)”**. The aim of the project is to review all the provisions of the PIP, to revise and codify them by drawing up a new core law along with the required secondary legislation for the PIP, as well as to simplify procedures, where deemed necessary. The project is expected to enhance the transparency and efficiency of PIB legislation canvas while increasing the execution and absorption of the PIP. From the launching of the project in 2022 until now, all deliverables and project interim reports have been carried out according to plan. The next steps include the completion of the deliverable “Proposals for draft primary/secondary legislation” and the project by Q4 2023.

The management of the PIP relies on the **IT system "e-PDE"** which registers all the data related to the planning, execution and monitoring of the PIP. The IT system supports all actions related to the financing and payments of the beneficiaries and their contractors, as well as all the relevant actions of the involved entities. E-PDE has introduced a significant simplification of the whole PIP process, while at the same time has strengthened the data reliability. Recently, the Ministry of Development and Investment has **launched a project for the IT system’s modernization and upgrade** which is crucial for the smooth execution of the PIP. During the last few months the tender documents are being prepared. The next steps include the finalisation of the procurement and its documentation, in order to proceed with the



tender procedure by Q3 2023. More detailed information is provided on Table 1 – 2020 CSR 3, subpart 9.

Furthermore, the Ministry of Development and Investment implemented a crucial reform, regarding the establishment of a **new regulatory framework for the domestic part of PIP, the National Development Program (NDP)**. The NDP will contribute to the medium-term development planning and better utilisation of the domestic resources of the PIB. The NDP 2021-2025 is an integrated system for the planning, management, execution and monitoring of PIP domestic part which includes 20 Sectoral, 13 Regional and 3 Specific approved Development Programs, with specific priorities, goals and actions, thus fostering multi-level governance and decentralisation. Next steps include the full operation and support of the Management and Control System of NDP 2021-2025, as well as the transfer of ongoing projects under the NDP by the end of 2023.

Another key priority of the Ministry of Development and Investment is to **ensure the efficient management of ESPA funds**. The main institutional actions for the timely start of the next programming period have already completed successfully. In particular the National Law 4914/2022, establishing the framework of the management, control and implementation of the 2021-2027 Programmes, according to the E.U. Regulations were issued in March 2022. Since then, and by early 2023, all delegated Ministerial Decisions for the key actors involved (Managing Authorities, Accounting Authority and the Services of the National Coordination Authority) as well as the Decisions setting out the basic rules for the management, control and implementation of the Programmes and the operations (eligibility, legal control of the co-financed public contracts, financial corrections) were also issued. On November 2022, the 1st edition of the “Management and Control (MCS) Procedure Manual 2021-2027”, including a road map for the issuance of call for proposals, the evaluation and selection of the operations was sent to Managing Authorities, in order to proceed timely with the activation of ESPA 2021-2027. The next steps include the completion of the 2nd edition of the “MCS Procedure Manual 2021-2027” and the description of all the above actions written in “the Description of the MCS 2021-2027”, in June 2023, as defined in article 69 of the European Regulation 1060/2021.

In the same context, **the development of Integrated State Aid Information State System (OPSKE) for the Programming Period 2021-2027** will modernise the users’ interface system, will integrate and simplify the aid granting process for the beneficiaries and the agencies involved, will reduce the administrative and management burden, will increase the data security as well as prevent fraud. The objective of the Integrated State Aid Information System is to provide full Support to the Management and Control System (MCS) procedures for the Programming Period 2021-2027, through a fully transparent and state-of-the-art Information System. Until March 2023, the Implementation Study of the IT system has been completed, several functionalities have been developed (i.e. Internet Portal, State Aid Calls Management Functionality, Functionality of State Aid Operations Approval Management, User Support Request Management functionality, Interoperability Channel e.tc.) and the pilot operation of the system has been performed. Next steps include: a) development of functionality of Monitoring of State Aid Operations (Q3 2023) and b) training of key users (Q3 2023).

Moreover, the **National Strategy for Public Procurement 2021 – 2025**, aims to enhance the effectiveness, quality and transparency of the public procurement system. In order for this target to be achieved, the National Strategy for Public Procurement 2021 – 2025 includes about 70 actions, divided in 4 main axes: a) Empowering the regulatory environment for public procurement, b) further digitising of public procurement procedures, c) pursuing strategic public procurement and enhancing the capacity of Central Purchasing Bodies and d) achieving professionalisation of the public procurement domain. During 2022 and by the end of Q1 2023, a large number of actions have already been completed, mostly regarding axes A, B and C, yet a larger number of actions are being currently implemented. The next steps include a thorough revision of the National Strategy for Public Procurement 2021 - 2025, as well as a careful selection of the actions that can realistically be completed in the Strategy's time frame. More detailed information is provided on Table 1 – 2019 CSR1, subpart 1 and 2020 CSR4, subpart 4.

With a view to create a strong mechanism to further enhance the capacity of Greek authorities to structure, procure and deliver complex projects, the Greek state established the **Project Preparation Facility (PPF)**, as a new independent operational unit in HRADF, pursuant to Law 4804/21. The purpose of this new unit is to mature, carry out the tender process, and supervise the implementation stage for projects of strategic importance, which are classified as part of the **“Strategic Project Pipeline”** (SPP) as per Law 4799/21. The Government Committee with its decisions of 27.12.2021, 01.03.2022, 24.11.2022 and 22.02.2023 assigned 38 projects to PPF of a total budget of approx. 6,93 billion euros (excl. VAT), while PPF has already contracted 19 projects of a total budget of approx. 1,68 billion (excl. VAT), which are in an advanced maturity stage. Since 08.11.2022, three milestones under the RRP have been completed (milestones 301, 302, 246) which refer to the launch of competitive calls for proposals for the development of industrial parks, the enactment of primary legislation to improve the regulatory framework for Industrial Business Parks and the launch of the call for proposals for creation - expansion - upgrade of infrastructures of Research Centres. In terms of maturity, for the 19 projects, PPF has already published 40 tenders of a total budget of approx. 410 million euros (excl. VAT). Most of these tenders have already been awarded or are at the evaluation stage. For the next period, until Q2 2024, PPF plans to publish 26 more tenders budgeting to 244,16 million euros (excl. VAT) and complete 7 more milestones under the RRP (38, 39, 161, 247, 231, 233 and 304). Some of the most important actions to be completed during the reporting period include the tenders for the infrastructure works of 80 hospitals, the announcement of contractors for all tenders concerning 156 Health Units, the contract award for Athens Riviera and the completion of works for OAKA. More detailed information is provided on Table 1 – 2019 CSR1, subpart 1 and 2020 CSR4, subpart 4.

For the purpose of mapping and digitization of the planning activity, establishing the traceability and repeatability of the process, streamlining the employment of resources and maintaining the objectivity of the appraisal of the progress towards the goal, PPF has developed a Project Management Tool (PMT), which was launched in May 2022. Privatisations and PPF projects along with their sub-projects have been incorporated in the PMT, their milestones and progress are being tracked, while for PPF the PMT is also used for Cost Control. The entire life-cycle of each project has been mapped and digitally recorded, showing all the steps of the tender process and all the external dependencies. The utilisation of PMT will be expanded in other sectors, such as Environmental, Social and Governance (ESG); the new Projects will

be supported with their onboarding to be completed by Q2 2024.

Lastly, according to the suggestions of the comprehensive strategy for the management of the public real estate assets, Law 5042/23 contains provisions for the assignment to the PPF unit, of the legal, technical and operational “maturitization” of real estate assets of general government bodies, in view of their prospective exploitation, building on the expertise and experience gained by the PPF unit throughout its operation as an independent unit of the Fund.

### **3.16. Improve the effectiveness, digitalisation and performance of public administration**

#### **Part A - Introduction**

As a crucial component of Greece's digital transformation, a significant portion of reform initiatives aims to improve the efficiency of the public administration and encourage the digitalisation of its processes and services. The adoption of new technologies, tools, and digital infrastructure in the public sector as well as the enhancement of services offered to citizens and enterprises constitute the subject of several RRF-funded initiatives. The improvement of systems' interoperability, the implementation of data governance strategies and policies, the upgrade of the digital infrastructure of the Greek public administration, and reforms to streamline, standardise, and improve public administration processes are some of the numerous related reform and investment projects currently being carried out. Along with the implementation of digitisation projects in several important areas of public services, ongoing progress in a number of projects with horizontal dimension contributes to an overall increase in the effectiveness of public administration. Finally, the introduction of new laws providing a modernised legal framework concerning critical aspects of human resources management, combined with platforms and tools, targets to ensure Public Administration's high level performance.

#### **Part B - RRP related**

The Ministry of Digital Governance (MDG) has created a comprehensive set of reforms and investments as part of the Greek RRP with the goal of enhancing the digitisation and efficiency of public administration.

The National Policy on Public Procedures (NPPP) is one of the most important reforms, supported by three pillars:

- the **National Registry of Public Procedures - Mitos** ([mitos.gov.gr](https://mitos.gov.gr))
- the **National Program on Process Simplification** based on MoUs between the MDG and other Ministries and
- the **Observatory for Bureaucracy**, assisted by the OECD.

During 2022, the number of procedures included at the National Registry of Public Procedures was significantly increased, from 1,026 (Dec 2021) to more than 2,600 (March 2023). At the same time, 13 administrative burden measurements for the Observatory have been completed and published at “[diadikasies.gov.gr](https://diadikasies.gov.gr)” portal aiming at the dissemination of the NPPP. In addition to the 6 measurements

that are currently underway, they are expected to produce concrete results on the administrative burden of various sectors and procedures. By Q2 2023, new measurements will have been drafted for the Observatory for Bureaucracy, while by Q4 2023 the National Registry of Public Procedures will be enriched with new, advanced interoperability mechanisms and simplification on eight policy sectors, in the framework of the National Program of Process Simplification, will be completed.

In addition, the MDG together with the stakeholder authorities, are going ahead with the project **“Interoperability and web services development”** which will build a central interoperability infrastructure that will facilitate information exchange among government agencies and the provision of interactive online services. The project will enable easy and fast access to composite public services and is expected to enhance cooperation between public administration agencies. Work is progressing according to schedule and the framework agreement tender process has been completed. There have been 19 offers, out of which 12 were approved. The award of those 12 framework agreement contracts was completed in December 2022.

Moreover, the **“Next-Generation Interoperability Centre”** investment aims to enhance the Interoperability Centre (KED) in order to be able to deliver cross-institutional, cross-systems interoperability with extremely high availability and automate the operation of public administration. The completion of the invitation to tender the 1st subproject **“Provision of services and supply of the necessary licences for the operation of the Next Generation Interoperability Centre”** is expected by Q2 2023 and the contract award by the end of Q1 2024.

The **“Central Business Intelligence - Data Analytics Platform”** initiative, which intends to help the Greek Government maximise the value of its own data, is also making progress. The platform will enable public administration agencies to gather, integrate, and interpret data from any source and use them to analyse information that affects their operations and workflows, and facilitates strategy and decision-making. The work is progressing according to schedule. Since April 2022, the public consultation period for the project’s tender has been completed, the invitation-to-tender document has been updated, taking into account the comments from public consultation, while the publication of the tender followed in Q2 2022. Contract award was issued in Q4 2022 and the signing of the contract is expected in Q2 2023.

Another important investment is the implementation of a **Central Document Management System** for the creation of the central infrastructure for exchanging electronic documents between public entities with remote authorised digital signatures. Building on the functionality of the first phase of the Central DMS development, the project has been completed and it is now implemented by the Ministries.

Furthermore, the project **“Public Sector’s Business Continuity”**, initially designed for the remote working of civil servants, has been **redesigned** due to the importance of the public system security issues in addition to those of the remote work. Therefore, the MDG transferred to another source of funding the initial project and designed a new one for the **security and cyber security of critical government agencies to secure the Continuity of the Public Sector**. The redesigned project has been

submitted to the Recovery and Resilience Facility Agency (RRFA) for final approval and its public tender is expected by the end of Q3 2023.

The project “**Supply of Central Cloud Computing Infrastructure and services**” regards the provision of public cloud type of services to the public administration information systems (G-Cloud and H-Cloud) and aims to ensure business continuity for the productive operation of these systems. The tender procedure has been completed. The project is in the court of auditors for final approval and is expected to be implemented at the end of Q3 2023.

There is also progress with the **National Register of Streets and Numbers** as a basic prerequisite for services, such as land registry, postal services, statistical reporting, etc. It is a platform for registration and updating of streets and numbers by the bodies that are responsible for their naming (Municipalities and Regions). Currently, the project fiche is under preparation to be submitted for funding (by Q2 2023). Additionally, the **National Register of Pets**, which is an online electronic database where recording of dogs, cats and their owners is due to be declared, has been implemented since its contract date (Q1 2023). The aim, through the implementation of this project, is to ensure the well-being as well as the responsible ownership of house pets and at the same time establish a coherent framework for the management of stray pets.

Good data governance over cloud computing infrastructures is essential for the government to become more data driven. It can help to extract value from data assets, enable greater data access, sharing and integration, and increase efficiency and accountability. This requires a holistic approach through the development of a **government cloud data governance strategy and policies**. In order to address these challenges, a digital reform of the public sector is taking place through the execution of four subprojects, concerning the design and implementation of data governance frameworks for the individual Government Clouds (G-Cloud, Re-Cloud, H-Cloud), that will be initiated after Q2 2023.

Apart from the above-mentioned horizontal reforms and investments, the Greek RRP consists of sectoral projects with the aim to implement and roll out digital services and combat red tape.

In the framework of RRF, the Ministry of Interior has enacted the project “**Establishment of multilevel governance-allocation of responsibilities between the levels of Public Administration**”. In this context the L. 5013/2023 “Multi-level governance, risk management in the public sector and other provisions”, (OJ A' 12) was promulgated on 19.01.2023, establishing the “National System of Multilevel Governance” in two levels of governance. The aim of the reform is to rationalise the allocation of responsibilities between the levels of governance as well as to address overlaps. The law applies to all entities within the general government, all legal entities of public law and all legal entities of private law (regardless whether they pertain to the general government or not) as well as public enterprises and organisations. The ministerial decision already issued specifies the methodology and guidelines for the allocation and transfer of responsibilities to entities. In line with these guidelines, two circulars will be issued by June 2023 to provide further guidance to public sector entities. During the first phase, a circular will be sent

to all public sector entities requesting them to enter the precise text and legislation for each of their responsibilities. In addition, they will be asked to classify each responsibility according to the COFOG functional areas and identify any synergies or overlaps with other public bodies. The data will be filled in a template provided by the MultiLevel Governance (MLG) Operational Centre, which incorporates guidelines for easy completion. All data will be kept in a master file by the Center for an initial view of the responsibilities of all entities. In the second phase, another circular will be sent to provide detailed guidance and templates to all public sector employees on how to apply the methodology of the law and the ministerial decision regulating the MLG.

As far as the **new recruitment and selection system** by the **Supreme Council for Civil Personnel Selection** is concerned, the Greek Government has managed to implement a modernised law for selecting new personnel in order to ensure that the recruitment process is more efficient and effective. The primary objectives of this law are to streamline recruitment efforts, decrease the time required to bring new personnel on board, enhance the quality of candidates entering the public sector and maintain at the same time the integrity of the selection process. One of the key features of the new law is the use of a national written test that assesses candidates' knowledge, skills and organisational effectiveness. Furthermore, the use of psychometric tools, including situational judgement tests, helps to ensure that the right people are designated for the right place, which is known as the best-fit approach. The first written competition took place on 4th March 2023, with the participation of about 77,000 candidates (out of 108,000 candidates) in 527 examination centres in 43 regional units across the country. The skills test included two sub-tests: numerical reasoning and verbal reasoning, while the work efficiency test concerned the development of case studies related to the daily working life of civil servants. The results are expected to be announced in April 2023.

Another significant initiative of the Greek Government is related to the implementation of the "**Human Resources Workforce Planning Tool**", which incorporates artificial intelligence features, enabling entities to utilise "forecasting" techniques for determining the number and skill sets required for human resources in the long term, as well as identifying methods of fulfilling these requirements, including new hires, internal labour market (mobility) and professional development. This tool enables entities to use techniques that will take into account existing as well as future job vacancies, alignment of skills with job requirements and required human resource skills in both the short and long term. In this way, human resource planning determines not only the quantity but also the quality of civil servants. The decision for the contractor's approval is set to be established within April 2023, while the contract will be signed by June 2023. The project is scheduled to last 18 months.

In the same context, **a new framework for the reward and incentive provision to public servants** has been created by the Greek Government. This significant initiative aims at maximising the performance of public organisations and at the same time intends to improve the process of employees' performance assessment and goal setting. The new law foresees the introduction of an employee reward system for the completion of specific and agreed targets on a pilot basis for three (3) strategic pillars: 1) the Annual

Action Plans of the Ministries, 2) Projects of the National Resilience and Recovery Plan and co-financed projects and 3) Fiscal goals. Eligible for the bonus will be employees who are linked to the implementation of the Annual Action Plans, up to 6,000 employees who work for the implementation of projects for the NRRP “Greece 2.0”, employees of the General Directorates of Financial Services of the Ministries and of other services of the Ministry of Finance. All relevant ministerial decisions have already been issued and the procedure provided for the bonus has already begun. Furthermore, the RRF project for the introduction of a goal-setting management system following the achievement of pre-set objectives is on-going and it is estimated that the contractor will sign the relevant contract by the end of April 2023.

A key reform that promotes private investments and contributes to the reduction of the bureaucracy and the simplification of procedures is **the amendment of the legal framework for the attraction of strategic investment**. The objective is to promote Greece as an attractive destination to potential investors. Regarding **the Information System of Strategic Investments**, which aims at the overall monitoring of Strategic Investments at all stages and the acceleration of investments, the contract was signed in December 2022. Further details regarding this reform are provided within the framework of the challenge “Promote private investment to foster the economic recovery”.

**The New Legal Framework of Industrial Parks** works towards combating red tape, as well. More specifically, the enactment of primary legislation which aims to improve the regulatory framework for Industrial Business Parks ,including addressing legal uncertainties, resolving governance issues and providing effective incentives for the resolution of informal industrial concentrations, has been completed (L. 4982/2022), while the preparation of all required secondary legislation is on track.

**The digital transformation of the Ministry of Foreign Affairs**, is an investment which aims to the modernization of the Ministry, through extended digitalisation of its operations and IT infrastructure. The project includes: a) the digitisation of the Ministry's Strategic and Operational Planning support system (SOP) to achieve the simplification and standardisation of its processes; b) the Digitisation of the entire contents of the Diplomatic and Historical Archives (DHA) of the MFA; c) the creation of a Global Digital Information Center Platform in order to cover MFA's paramount requirements for the exercise of public and economic diplomacy and d) the modernisation of Crypto IT & Telecom infrastructure. Invitations to tender for the first three subprojects were issued in late Q4 2022, while the fourth tender regarding the last subproject was issued in early Q1 2023. All four subprojects are in the evaluation process stage as of Q1 2023. Award of contract is expected in Q2 2023, whereby the timeline for the following steps of the project will be set.

**The National Strategy for Trade Facilitation** is a reform coordinated by the Ministry of Foreign Affairs, which aims at facilitating trade by streamlining administrative procedures for companies operating in Greece. Its implementation includes a series of actions, aiming at reviewing and simplifying existing pre-customs and customs procedures, identifying unnecessary administrative burdens and/or costs for

companies, allowing for the establishment of a Single and Integrated IT system (Single Window) in line with international best practices. Within the framework of this reform, the Ministry of Foreign Affairs is pursuing the objective of digitising its services, whereas special effort is given to the digitisation of the Dual-Use Goods & Arms/Ammunition Export Licences. Further details regarding this reform are provided within the framework of the challenge “Promote private investment to foster the economic recovery”.

Moreover, the Ministry of Tourism has planned a project in order to transfer the data and functions of the current **Registry of Tourism Enterprises (MHTE) to the new “MyDigitalTourism” platform** (also known as “e-MHTE” platform) and to ensure interoperability with public registries & systems. The project also includes digitisation procedures between the Ministry of Tourism and its Regional Services, database interconnection, a system for recording arrivals and departures and other statistical data at tourist accommodation, and digitisation of files. In March 2023, the project was included in the NRRP by virtue of a decision of the Deputy Minister of Finance. Subsequently a draft of the project Declaration was posted for public consultation on the Public Procurement Portal. As originally planned, the project is to be contracted in June 2023 and to be completed by Q2 2025, barring any unforeseen circumstances. The total budget of the project is € 10,185,732 (including VAT). This measure constitutes a digital tool that favours entrepreneurship and therefore advances the functioning of the EU Single Market, through the facilitation of the free movement of businesses.

In the same context, an investment related to the **digital transformation of the Greek National Tourism Organization** and its main assets through the implementation of a digital tourist map and a digital repository of Greece’s cultural assets, as well as the development of an innovative system that will provide information to tourists and citizens based on 2nd Generation Artificial Intelligence Technology are planned. The investment also includes the full digitalisation of GNTO’s rich archives related to Greece’s tourism development and past promotional campaigns. The project aims to improve access to information about Greece’s tourism ecosystem, while promoting upskilling across the industry, boosting entrepreneurship and prioritising green growth and sustainability, thus favouring the functioning of the EU Single Market. The implementation period is estimated to be 36 months. The implementation of the envisaged measures is expected to have a long-lasting impact on citizens, researchers and businesses and contribute to more citizen-centric, inclusive, trusted, secure, autonomous, innovative, cross-border and advanced digital services in the Greek Tourism sector. The Technical Bulletin of the measure will be submitted shortly, in order for the measure to be included in the Greek RRP. The total budget of the project is 10,008,338 € (including VAT).

A substantial organisational reform is also undergoing for DYPA. **DYPA digitization** aims at transforming the national Public Employment Service into an innovative facilitator that improves its quality, capacity, and effectiveness. A fundamental aspect of this reform is its significant digital transformation, which includes the integration of digital technology and state-of-the-art AI into all operational and service areas. This transformation changes internal processes and adds value to both employers and the labour force. DYPA’s digitisation process also implies a cultural shift towards innovation, experimentation, customization, and higher risk tolerance. The project comprises several sub-projects that are already



being implemented, such as the further expansion of the mobile application (MyDYPAapp) for delivering e-services to jobseekers and employers via mobile devices, including a customised notification system, the development of an advanced tool for the automation and facilitation of the matching process that fully encompasses European Skills, Competences, Qualifications and Occupations as a classification for skills matching, as well as a data analysis methodology, data warehouse solution supported by a highly sophisticated Business Intelligence (BI) system for data analysis. These also include the introduction of a new Financial Management Information System and an increase of e-services with a view to reach 100%, mostly through the development of an internal interoperability hub, which will interconnect with the National Interoperability Hub and use the central digital government gateway of (Gov.gr) as a single portal for all DYPA e-services. Other sub-projects are currently in procurement processes or being specified and will be launched shortly. These include redesigning the current Enterprise resource planning/ Customer Relationship Management (ERP/CRM) system and the e-services platform to better manage customer data in a new IT ecosystem to meet new labour market challenges, introducing a new HR Management System, and an advanced Cyber Security system to safeguard and protect all running DYPA operating systems. Additionally, a comprehensive VET Management Information System will be introduced to better manage DYPA educational units, and an Asset Management System to better organise and manage the real-estate property of DYPA. The IT hardware, peripherals, and infrastructure will be upgraded to support a smooth transition to Virtual Desktop Infrastructure (VDI) solutions for all DYPA personnel, and the network infrastructure will be upgraded to support new DYPA needs such as teleworking. Furthermore, an eco-printing principle will be introduced through the development of an ecosystem of printing devices aiming to rationalise printing needs and provide sustainable and environmentally friendly solutions. Other sub-projects include the digitisation and digital preservation of DYPA's vast archive warehouses, the creation of a notifications system via Viber messaging as well as OTP verification for DYPA e-services, and the development of a sophisticated chatbot application to work as a digital employment counsellor. Last but not least, there will be launched a pilot of next-gen i-KPA shops in Athens and Thessaloniki, a Control Room to monitor employment and unemployment surpluses in real-time to act locally and small-scale to prevent crises, and the procurement of interactive whiteboards for DYPA Apprenticeship and VET Units.

Authorities are also implementing a reform for the **enhancement of the state aid institutional and digital capacity**, by updating the existing state aid procedures, strengthening competencies using digital tools and interconnecting to national and European Commission's information systems. In December 2022, the respective legal framework was published and entered into force, fulfilling on time milestone 214. Up to Q1 2023, the technical specifications for the remaining subprojects (Intranet platform, BI tool, Digital state aid cases library and purchase of new hardware/software) were finalised. The next steps until Q2 2024 include: (i) For the intranet platform which will connect CSAU with the decentralised state aid units, the contract is estimated to be signed in May 2024, (ii) the BI tool is estimated to be completed by Q2 2024, (iii) for the digital state aid cases library, the contract is estimated to be signed in February 2024, and (iv) for the purchase of new hardware and software for the needs of CSAU, a public electronic tender will take place in Q2 2023.

## Part C - Not RRP related

Beyond the above RRP projects, Greek authorities have undertaken a lot of significant initiatives for public's administration digitalisation.

**GOV.GR** is the single digital delivery channel of Greek public services. It aims to provide a seamless experience to citizens and businesses for their transactions with public administration. At the end of 2022, gov.gr hosted 1,506 services, covering 100 life events. More than 8 million citizens have filled in at least one online application and more than 230 million electronic documents have been issued via gov.gr since its launch. Its user-centric design includes a classification of services based on life events, consistency in service information across the portal, and content written in everyday language, avoiding any legal or administrative jargon. The portal is evolving from a simple catalogue of online services towards an ecosystem with digital service building blocks (e.g. e-authentication, organisation's inbox, citizen's inbox, gov.gr docs etc) enabling quick and easy digitalisation of procedures. A new generation of 100 digital services is planned to be built using these blocks. More detailed information is provided on Table 1 – 2020 CSR 3, subpart 9.

Moreover, in January 2022 the **Hellenic Public Administration Root Certification Authority (APED)** and the issuing CA became compliant with the requirement of the eIDAS regulation. As far as the electronic identification is concerned APED will contribute to a federated eID scheme.

Additionally, the **new one stop - shop improved Back Office** to be used by **Citizens' Service Centers (KEPs)** employees is expected to simplify daily work and improve quality of the services rendered to the citizens. By Q3 2023, the roll out of the first functional version will be completed, while all necessary functionalities to ensure full operation of the system will take place by the end of Q1 2024. As the one-stop shop improved Back Office to be used by Citizens' Service Centers (KEPs) employees is expected to be set in operation by Q3 2023, it is necessary to review, at the same time, the bulk of procedures delivered by the KEP network and to abolish those that are rendered obsolete (obsolete legislation or simplification). The project of reviewing all relevant KEP procedures will be completed by Q1 2024. More detailed information is provided on Table 1 – 2020 CSR 3, subpart 9.

Moreover, the **EU-go portal**, the single point of contact for EU citizens to get the information they need and complete administrative cross-border procedures online, currently has all the information required and supports an operational moodle that allows procedures and formalities be easily completed, at a distance and by electronic means. By the end of 2023, EU-go is expected to be adapted to the requirements of the eIDAS regulation for identification and the requirements related to the once Only Technical System of the Single Digital Gateway Regulation.

With a view to enhancing regulatory quality, a **National Codification Portal** will be set for pilot use in Q2 2023, while the overall project is expected to be completed in Q4 2023. The Portal will be the electronic hub of codified legislation and organised according to updated standards and available free to the public. The project also includes a platform through which all the law-making and regulatory flows will

be standardised, the codification will be facilitated, and the operation of the competent authorities will be supported. It is worth noting that in March 2023, a follow up project funded by the NRRP has been approved and is ready to be implemented. The new project will enrich the National Codification Portal with the legislation from the establishment of the Greek State (in 1833) up to date in a consolidated form. More detailed information is provided on Table 1 – 2020 CSR 3, subpart 9 and 2020 CSR 4, subpart 1.

Furthermore, the drafting of a **new legislation on Public Procedures**, replacing that of 1999, has been deemed necessary, aiming to act both as a clear guide, including rights and obligations, for every citizen as well as a useful manual for each civil servant/public authority. Since February 2022, the process has commenced and the draft regulations underwent rigorous procedures by an official dedicated team including both legal experts and administrators representing the competent Ministries. By Q2 2023, the new legislation is expected to have been finalised and voted on by Parliament, while the necessary ministerial decisions and circular directives will have been issued.

In this context, the Ministry of Digital Governance has issued an update of the **National Interoperability Framework (NIF)** to facilitate and increase interoperability maturity in public services. The NIF includes the Interoperability Framework of Public Services, the Governance Model, and the Implementation Guide, which provide guidance to all stakeholders (public administration, companies) on the life cycle of ICT projects to achieve expected interoperability for the services they are developing or evaluating.

Regarding the state of the vital digital infrastructure, the project "**G-Cloud Next Generation**" seeks to improve the infrastructure and functionality of the existing operational Government Cloud (G-Cloud). By doing so, it will guarantee the ongoing operation of the information systems hosted or to be hosted in the infrastructure of the next generation Government Cloud (G-Cloud NxG) and will provide new services to the public/government bodies, according to the service provision models of "PaaS", "DaaS" and "RPA", thus creating a new, hybrid cloud infrastructure. So far, all the necessary actions regarding the analysis of the requirements, the design of the technical solution, the writing of the tender documents (RFPs) and the co-financing of the project by the European Union, have been completed. The tender procedure execution took place by the end of Q2 2022. The next step concerns the award of the corresponding contracts by Q2 2023. More detailed information is provided on Table 1 – 2019 CSR 2, subpart 3 and 2019 CSR 3, subpart 7.

Also on infrastructure, the "**SYZEFXIS II**" project is the core project for the establishment of the Public Sector Network. It aims to cover the telecommunication connection needs of public bodies, upgrade the broadband of the bodies, and upgrade the existing central services of the SYZEFXIS network. The project is divided into different subprojects, each of which implements a section of the overall project. The subprojects that implement the central infrastructure include the establishment of central interface infrastructure, hosting services, interconnection services and Internet provision, and the Central Security System. The implementation phase of the specific subprojects was completed and became operational within the reference period. Also, the sub-projects that implement regional infrastructure and services include the Telecommunication Islands (they provide access and telephony services to the institutions)

and the Infrastructure Subproject (installation of access, telephony and teleconferencing equipment to the institutions). In the specific sub-projects, the implementation study was completed and the implementation phase has begun. In the central sub-projects, a pilot operation phase will take place with the completion of the transition of 10% of the entities and productive operation will follow. In the regional sub-projects, the continuation and completion of the transition of the total of 34,000 entities of SYZEFXIS II will take place in parallel with the gradual pilot and productive operation. More detailed information is provided on Table 1 – 2020 CSR 3, subpart 9.

The Greek Government along with the **Supreme Council for Civil Personnel Selection** implemented a project for the setting up of assessment centres according to the Law 4765/21. The basic goal is to upgrade personnel selection procedures for the Public Sector through the setting up of specialised and certified centres with the appropriate infrastructure that enable the use of advanced tools for diagnosing the suitability of candidates regarding the data / profile of the vacancy, resulting thus in the modernization of entities and the upgrading of services provided to citizens. Currently, the project is in the process of preparing the tender documents and it is expected to be launched by Q3 2023. More detailed information is provided on Table 1 – 2022 CSR 1, subpart 6 and 2020 CSR 3, subpart 9.

The establishment of the **Human Resources Development Advisor** has been introduced as one of the horizontal "tools", placed at the disposal of public services and supervisors, in order to support the innovative approach which aims to transform Public Administration human capital's skill. The HR Development Advisor - who will be appointed after relevant certification - will support the competent organisational unit for human resources issues, such as matters of implementation of the performance assessment system, employees' and supervisors' development plans, employees' learning paths and career, as well as the planning of actions for the relevant body's development staff. The ministerial decision for the conditions and the procedure for participating in the Human Resources Development Advisor Certification Program has been issued (February 2023) and for the time being the relevant ministerial decision that concerns the Advisors' responsibilities is about to be published in Q2 2023. Additionally, 6 certification programs will be implemented and 150 employees will participate.

**Goal setting, performance assessment and reward system for enhancing the efficiency of Public Administration** (L.4940/2022) constitutes a major reform which aims at creating a modern, realistic and effective system of performance management and goal setting that promotes the development of skills of civil servants. The reform includes the creation of a Common Skills Framework for the public sector, the support of a new Employee Career and Development Plan, the Team Pulse Survey, the introduction of Committees for the Supervision of the Performance Management Process and the introduction of Professional Mentoring and Coaching in the public sector. Moreover, the new system foresees the creation of a new goal-setting framework which includes the-CAF tool. The customization of the electronic tool is expected to take place within 2023. The relevant ministerial decisions and circular with guidelines have already been issued. (OJ B'6176 and B'46). Currently, managers are asked to set their goals by the end of March, in order to activate the evaluation process.

The Ministry of Interior has completed the process for the activation of the “**Interministerial Branch (Klados) of Executives**” aiming at supporting specific functions of Central Administration entities, in the specialties of: (a) Public Policy Analysts, (b) Law Drafters and (c) Digital Policy Analysts. It is an initiative of fundamental importance for the transformation towards a modern public administration qualified with new reinforced skills. A series of Presidential Decrees and Ministerial Decisions were issued to establish the legal framework of the aforementioned branch. The examination for admission to the educational program took place in December 2022, based on a special methodology and an introductory test was prepared with knowledge questions regarding the 3 specialties. The examination test was carried out by the EKDDA with remote electronic participation. The training program is in progress and is expected to be completed by June 2023, and as a result, the first officials will be appointed in the ministries. More detailed information is provided on Table 1 – 2022 CSR 1, subpart 6.

The Greek Government, in order to ensure that the **evolution of the employment of the public sector** remains on track, undertook several initiatives. According to the provisions of the L.4622/2019 & 4829/2021, as amended by L. 5027/2023, the planning process of both permanent and fixed-term contract personnel are aligned, aiming at fully implementing a structured, consistent and coherent recruitment policy for permanent and fixed-term contract personnel, through a digital process. The objective is to successfully implement a complete annual staffing cycle scheme, ensuring the coverage of specific needs of the entities, in line with the overall government priorities and budgetary conditions.

Regarding **new recruitments** of permanent staff whether they fall under the attrition rule, which is the vast majority of the recruitments - or they are excluded for very specific cases such as recruitments in compliance with judicial decisions - for the year 2022, 24,023 new recruitments were approved and their implementation is ongoing, while for the year 2023, 21,714 new hirings have been approved and their implementation is ongoing. Based on data derived by the Census database ([www.apografi.gov.gr](http://www.apografi.gov.gr)), the recruitments - falling under or excluded from the attrition rule - that had been approved and they are completed for the year 2022 amounted to 20,884. For the year 2023 (available data up to January, 2023), 1,215 recruitments have been concluded. Regarding fixed-term contract staff, since 2022, a ceiling for new recruitments has been implemented for the first time to monitor and control the recruitment of temporary staff. This ceiling is also set for 2023, being reduced by 12% compared to the ceiling set for the previous year.

In the field of **teleworking** in the public sector, the Greek State promulgated Law 4807/2021 with a view to regulating several aspects of teleworking. A pilot implementation in a representative sample of public administration entities has been designed, while in January 2023, a circular defining the institutional framework for teleworking was issued. More detailed information is provided on Table 1 – 2020 CSR 2, subpart 1 and 2020 CSR 4, subpart 1.

In addition, an **onboarding process** has been redesigned for new entrants in order to provide them with all necessary "tools" to perform their duties effectively. The primary objective of this process is to create a comprehensive training strategy and toolkit, along with corresponding work profiles and to identify

specific skills and abilities that need to be developed and improved. This will involve determining the appropriate types of training and courses required, as well as other related training processes. The programme is currently under development and is expected to be launched by the end of 2023.

Furthermore, another important initiative for the improvement of the human resources quality is the implementation of **career paths** in the Public Sector that promote career development by providing employees with a structured framework to enhance their skills and knowledge. By mastering their current roles, employees can unlock new opportunities for growth and advancement in their careers. The next steps include the development of a comprehensive career-path toolkit for all civil servants in the Greek public sector, which will be available in June 2023 and it is going to support career progression from recruitment until retirement from the service. More detailed information is provided on Table 1 – 2022 CSR 1, subpart 6.

In the same context, as part of the broader effort to modernise the civil service code, the Greek Government is working to revise and streamline the system of **selecting civil servants for leadership positions**. This involves developing a selection process that will carefully consider and evaluate candidates' personality traits, with a particular emphasis on leadership characteristics and management skills. For this reason, the Ministry of Interior is currently in the process of elaborating the relevant provisions for this new selection procedure and has submitted a request to implement the project with financing from the NSRF.

Subsequently, a **database for the correlation of postgraduate degrees** of candidates with the responsibilities of the announced positions of responsibility has been completed, with the valuable contribution of the Supreme Personnel Selection Council (ASEP). The purpose of the database is to enhance the efficiency of the selection committees responsible for appointing General Directors, Directors, and Department heads. By doing so, the reduction of the required time for the selection process is achieved and the smooth operation of the Public Administration is enhanced.

In order to upgrade the Heads of **HR Units**, a special training program for professional competence has been designed by the Greek Authorities. The purpose of this program is to prepare executives by offering them a high level training, according to the modern literature, as well as practical skills, using good practices from Greece and abroad. Upon completion of the program, the trainees will be required to take an evaluation test in order to obtain the necessary certification. Currently, the training program is being developed in cooperation with EKDDA and it is expected to be completed by the end of June 2023.

The Ministry of Interior, in collaboration with the Ministry of Digital Governance and Information Society, has implemented the "**Human Resources Management System**" (HRMS). This system is a unified platform that integrates all necessary data for the efficient and effective management of human resources in the public sector. The project has already been implemented and is currently in the process of drafting the implementation research for the main system's development, particularly for

HR functions. The HRMS project is estimated to be completed by July 2024. More detailed information is provided on Table 1 – 2020 CSR 3, subpart 9.

At the same time, the existing **Census database** supports multiple functions of Human Resources processes, such as digital organograms, multi-year recruitment planning, mobility, and employees' performance assessment. In July 2022, the Greek Government embarked on a new 10-month contract to modernise and upgrade critical functional areas of the Census database. The basic objective is to improve data quality and significantly enhance effective management of human resources across the entire Public Sector. The Census Database supports all procedures concerning Personnel Departments, while an Electronic Prescription system covers the functions of Health Committees enabling sick leave approvals to be performed digitally. At present, the relevant unit of the Ministry of Interior is working on a joint ministerial decision to define the details of the procedure and the new subsystem. A pilot implementation of the new subsystem will be carried out in June 2023 on a representative sample of entities. More detailed information is provided on Table 1 – 2020 CSR 4, subpart 1.

An additional challenge for the Greek State to address is the lack of standardisation of operational procedures. For this reason, drafting a single **Civil Service Code for civil and municipal employees** aims at rationalising and modernising the institutional framework - in order to incorporate the modern requirements / needs - and eliminating possible overlaps and unjustified differentiations between similar employee specialties. The decision for the appointment of the committee members was issued at the end of 2022, while the legislative initiative will be completed within 2023.

In the same direction, the design of the framework and structures for the introduction of **public sector innovation** aims at establishing new operating models to tackle complex problems in new ways. The first step concerns the provision of guidelines and processes in order to structure the development of innovation. For this reason, in March 2023, the new law 5027/2023 for the Innovation System was voted, which provides for the establishment of a Public Sector Innovation Observatory, the creation of an Innovation Network, as well as the drafting of a study for the creation of a certification ability for innovations in the Innovation and Best Practices Department in the Ministry of Interior. The implementation of these provisions is expected to be completed within 2023.

In addition, actions are taken to promote private investment, reduce the bureaucracy and simplify the procedures regarding the **implementation of the legal framework for private and public sector partnership (PPP)**. Within the framework of this action, an IT system for monitoring PPPs end-to-end has been developed, the cooperation with EBRD regarding the enhancement of maturity of PPPs projects has been utilised and the standardisation of PPP procedures and documents has proceeded without delay. The testing and training period of the PPP Information System is expected to be completed in Q2 2023 and the standardisation of PPP procedures and documents is expected to be completed in Q4 2023. Further details regarding this investment are provided within the framework of the challenge "Promote private investment to foster the economic recovery". More detailed information is provided on Table 1 – 2020 CSR 3, subpart 1.

**The digital transformation of consular services** project aims to fully transform citizens' interaction with Greek Consular services across the globe, with the use of Artificial Intelligence and the digitization of processes, in all aspects of services which don't require the citizen's physical presence at the Consulate. The project consists of two parts: a) the Virtual Assistant, which was completed in Q1 2023 and is currently in operation in 19 languages in all Consular Missions abroad and b) the digital Consular Services platform, which will be in full operation in Q2 2023. The project is set to be completed by Q4 2023, at which point all consular services that don't require in-person visits to the Consulate will be available online through the platform.

Regarding the introduction of **mobile units for the reception of applications to issue and/or renew passports**, in order to cover remote areas, an amendment to the 2005 Joint Ministerial Decision in force was agreed between the Ministry of Foreign Affairs and the Ministry of Citizens Protection. The latter is in the process of preparing the text of a new Joint Ministerial Decision to be signed by the competent Ministers.

The project of the new **Missions Abroad ERP for financial management** aims at the development of a modern IT system for the automation and control of procedures in the field of the financial management of the Foreign Service Authorities, will be in pilot operation in Q2 2023 and will be completed in Q1 2024.

Furthermore, the tender for the project regarding the **upgrade of hardware for the Ministry's document management system** which aims to upgrade the internal mail handling system and the interface with Foreign Authorities was issued in Q1 2023, while the award of the contract is expected in Q4 2023.

Moreover, the digital transformation in the field of sports remains a key priority for Greece. With the digitisation of many services provided by the Deputy Ministry of Sports and the creation of new Registers, the public administration becomes more efficient and the citizens gain easier access. Targeting to face the violence in sport events, the Deputy Ministry is launching the **Digital Register of Fan Clubs**, provided in Law 4908/2022. In order for the State to gain greater control with the provokers of the violence, related with sport matters, the Fan Clubs of the sport clubs have to enter their information and their members to the Digital Register. The following year, until Q2 2024, the main goal is for the Digital Register to become completely operational and the registry of the fan clubs to be completed, in order to be accessible from the Ministry services and the Hellenic Police.

Digitalisation is also considered by the Deputy Ministry of Sports as a means to achieve both transparency and good governance. Through the **creation of the Digital Register of Sports Clubs, the Digital Register of the Coaches, the Digital Register of Sports Facilities and the "Digital Bible 2020-2025"** each citizen will gain anytime access to a variety of information. By Q2 2024, there is a target of 100% of sports facilities belonging to the Municipalities to be registered to the Digital Register of Sports Facilities. It is also aimed to achieve the registration of 60% of coaches of all sports to the Digital



Register of Coaches. Furthermore, the “Sport Bible”, which is implemented by the Ministry of Digital Governance, is under progress and will be completely operational in 2025. The digital tools which are implemented favour the functioning of the EU Single Market, through better access for citizens to digital services.

With a view to improving the effectiveness and digitalisation of the public real estate administration and to facilitate the proper recording, protection and utilisation of public real estate, a **Unified Real Estate Registry** of the entire State has been developed and is being updated through interoperability. The update/enrichment of the digital application/platform, as well as the development of interoperability with the Hellenic Land Registry, is currently being implemented. With the intention of updating the real estate data in the Real Estate Registry in real time, the configuration of the requirements for the interoperability of the real estate databases of all public bodies will be put into practice over the coming period.

Lastly, during the last years **Hellenic Public Properties Co (HPPC) implemented a significant digital transformation program** that emphasised maximising business productivity and improving the quality of financial management information systems. The next steps for the digital transformation are to prioritise specific digital projects that will add value to the company's performance and will be consistent with the company's strategic goals. More specifically, in an effort to clean up its portfolio of assets, HPPC will emphasise in the development of Business intelligence tools in order to ensure asset data accuracy. Regarding its Business Units, HPPC intends to add digital facilities that will add value to the visitors. HPPC is also planning the digitalization of its physical files. That project is intended to be fulfilled with the assignment of an external contractor and it is expected to last a two year period.

### **3.17. 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**

#### **Part A - Introduction**

Despite the very substantial progress Greece has achieved in addressing legacy banking challenges, constraints still exist in the provision of credit through the Greek banking sector. Although the ratio of non-performing loans (NPLs) has recorded a very substantial decline over the last couple of years, mainly through the highly successful Hercules asset protection scheme, from 40.6% at the end of 2019 to 8.7% at the end of 2022, it is still higher than the euro area average and Greek banks maintain comparatively lower organic profitability. Despite the increase in net credit provision recorded in 2022, small and medium enterprises in Greece continue to be disproportionately affected by lack of access to finance.

A set of financial sector reforms as well as reforms in the business environment are being implemented aiming to increase access to finance, enhance the information available to authorities and, thereby, improve the design of corresponding policies. The first category includes, inter alia, measures such as the NRRP Loan Facility which aims at addressing the lack of affordable financing for companies, with RRF

loans on-loaned to the private sector through international financial institutions and commercial banks. The second category includes measures such as the Credit Expansion Observatory Registry, which aims to be a useful tool towards increasing and sustaining access to viable finance by allowing well-informed policy-making and market-based decisions based on data concerning credit expansion and risk-pricing respectively. Other policies for increasing access to finance include incentives to encourage self-employed and micro, small and medium sized enterprises to increase their size and thus, have easier access to finance; the accelerating clearance of called state guarantees, the acceleration and automation of VAT refunds, as well as the "Competitiveness, Entrepreneurship and Innovation 2014-2020" and the 'Competitiveness 2021-2027' programme, under the Partnership Agreement 2014-2020 and 2021-2027, respectively.

#### **Part B - RRP related**

The reform for the **acceleration of VAT refunds** further supports the simplification of the administrative processes between tax authorities and the business sector and works as a key factor for the smooth functioning and recovery of the economy by addressing cash flow difficulties. The objective is to speed up the procedures for VAT refund using specialised IT systems and risk analysis methods, by implementing more digitalized and automated VAT electronic refund procedures and provide the capability to electronically implement the majority of the refund requests, when they do not fall under the audit sample through the risk analysis process. The operating functionalities of the fully automated VAT refund system have been established, and the implementation of the system is in progress and will be ready by the end of 2023.

Under the Greek RRP, authorities have also completed the creation of a set of **incentives to encourage self-employed and micro, small and medium sized enterprises to increase their size**, raise their productivity, acquire an international orientation and improve access to economies of scale through mergers, conversions, acquisitions and new cooperation schemes & platforms. The primary legislation regarding improvements of the legal framework of tax, financial and licensing and incentives for mergers, conversions, and acquisitions, has already been published and the secondary legislation regarding contract farming, has also been issued in September 2022. The reform is now in the implementation phase. The measure contributes to the smooth functioning of the EU Single Market.

Authorities are also implementing a reform concerning the **creation of a Credit Expansion Observatory**, which shall collect detailed data on the liquidity provided by banks to individuals and legal entities, to better design and implement targeted public policies that aim to increase access to finance. The aim is to enable viable businesses from various sectors and different geographical locations to have access to credit for their investments and promote investments that will enhance productivity and job creation, as well as social cohesion and inclusiveness. The Observatory will be supported by a respective information system for the collection of data and the monitoring of the credit expansion. Within the time frame of the reference period, a series of preparatory actions were launched regarding the purpose and operational requirements of the aforementioned information system and a proposal concerning the physical object has been submitted. In the next period, the approval of the submitted proposal is

expected for the purpose of drafting the Technical Datasheet of the project, the launching of the notice of the relevant tender and the signing of the contract with the contractor.

Last, but not least, the Greek authorities have created a mechanism to facilitate the financing of mature private investments through the RRF, utilising the loan component of the Fund. This is the RRF Loan Facility, which provides loans to long-term investment projects (6-12 years) through various financial instruments and in cooperation with the commercial banks, International Financial Institutions (IFIs), the InvestEU Fund and the Hellenic Development Bank (HDB). Concerning progress in the field, until March 2023, the total budget of the 381 investment projects submitted to the loan section of the NRRP amounted to 12.12 billion euros, while in the last quarter of 2022 and the first two months of 2023, bank loans amounting to €0.6 billion were disbursed to domestic businesses under the RRF Loan Facility. By the end of 2023, it is expected that more than EUR 3.5 billion (including management fees) of financial institutions funds will be signed with final beneficiaries. With regards to the InvestEU programme, which aims to support exclusively SMEs, on 28/9/2022 the Hellenic Republic signed a Contribution Agreement with the European Union, per which the Commission shall select the Implementing Partner(s) in accordance with the procedure and criteria laid down in Article 15 of the InvestEU Regulation, shall notify Greece of the signing of the Guarantee Agreements with the Implementing Partners and shall share the relevant content with Greece. The budget allocated to the Member State compartment of the InvestEU program through the Greek RRF is 0.5 billion euros, which is expected to provide more than 1.5 billion euros of financing to SMEs for the implementation of projects related mainly to energy & climate change, digital transformation and R&D.

### **Part C - Not RRP related**

Another reform that supports the stability of the banking system concerns the **clearance of the backlog of called state guarantees**. The State had guaranteed in the past, mainly for social reasons, loans granted from commercial banks to vulnerable citizens' groups and businesses, many of which have become overdue. An examination and clearance plan were drawn up in the past and most of the actions that it prescribed have been completed. Moreover, a performance bonus has been adopted for permanent employees, to boost performance. At the same time, the recruitment of an additional thirty-five (35) permanent employees to reinforce the State Guarantees Directorate was successfully completed, a development that is expected to greatly improve the effectiveness of the whole process. The progress is close to the plan's targets for loans to individuals, especially concerning the examination targets, but some deviations remain for business loans. Moreover, a provision was implemented in February 2023 to enable the repayment of approximately 170 million of loan guarantees of specific categories of natural persons, while court hearings for cases under the Katseli Law have been expedited. Lastly, payments in the second and third quarters of 2023 will benefit from the unlocking of roughly EUR 270 million of guarantee claims (related to loans that were transferred to another legal entity without prior approval by the guarantor), which had previously been put on hold for legal reasons. While the work on the authorities' side is anticipated to be finished by the end of 2024, the payment of claims will also depend on the timing and result of ongoing legal proceedings as well as the promptness with which

banks provide supporting documentation. More detailed information is provided on Table 1 – 2022 CSR 2, subpart 3 and 2020 CSR 4, subpart 1.

The **State contribution scheme (“Bridge 2” Programme)** launched by the Greek State aims to support the ability to repay business loans through State contribution, for debtors who have been affected by the coronavirus adverse effects. It provides loan instalment subsidy for business loans extended to legal and natural persons (freelance professionals, partners in personal or private companies). It applies to both performing and non-performing loans. During the past period, 83% of the submitted applications received the 8-month subsidy, while 59% of the fully subsidised applications successfully completed the monitoring period. For the next period, the completion of the subsidy for all the submitted applications and the planning of auditing procedures for the subsidised applications are expected to take place. More detailed information is provided on Table 1 – 2020 CSR 3, subpart 1 and 2020 CSR 4, subpart 1.

A number of co-financed projects are in progress under the **Partnership Agreement 2014-2020**, which aim among others to provide financing and credit liquidity to the economy, focusing in particular on SMEs most affected by the crisis. In the reference period (01/04/22-31/03/2023), three new calls for proposals were issued of a total budget of 56 million euros under the Programme "Competitiveness, Entrepreneurship and Innovation 2014-2020". **Regarding the Partnership Agreement 2021 -2027**, liquidity measures focusing on SMEs are also addressed through the Competitiveness 2021-2027 Programme, where at least 920 million euros of public expenditure allocation for the “Improvement of access of enterprises to financing (Financial Instruments)”, through a dedicated priority. Moreover, a call for proposals was issued in March 2023 for the Green Transformation of SMEs, with a total budget of 700 million euros under the Programme “Competitiveness”. Last, but not least, the activation of the new fund-of-funds programme in Greece, “Equifund” (250 million euros) under the Programme “Competitiveness”, as an initiative created by the Hellenic Republic in cooperation with the European Investment Fund (EIF) which is targeting in SMEs can be regarded as a project of strategic importance. This action advances the functioning of the EU Single Market, given that it favours access of SMEs to finance.

### **3.18. Promote private investment to foster economic recovery**

#### **Part A - Introduction**

The promotion of private investment remains a key challenge for Greece. Both under the RRP framework as well as beyond, the Greek authorities designed several targeted interventions to boost private investments. The authorities aim to promote Greece as an attractive destination to potential investors through the amendment of the legal framework for the attraction of the strategic investments, the mitigation of the negative effects of de-lignification in old mines areas (Western Macedonia and Megalopolis), the National Strategy for Trade Facilitation, the digitalization of the Economic Diplomacy Network, the maintenance and the upgrade of the facilities of the Olympic Athletic Sport of Athens, the Tourism Development and the Exploitation program of selected ports (Igoumenitsa, Heraklion, Kavala and Volos). Furthermore, several actions are planned to promote private investment, including the

implementation of the institutional framework for private and strategic investments, as well as public - private partnerships (PPPs). These efforts aim to reform the Greek business environment by streamlining procedures, improving market access in various sectors, and including new economic sectors and potential Important Projects of Common European Interest (IPCEI), such as licensing procedures, cross – border trade, access to credit, streamlining administrative procedures for companies operating in Greece, diversification of the tourism product and development of investments. The reforms are paired with relevant financial incentives for private investment under the Greek RRP or the Partnership Agreement 2021-2027.

#### **Part B - RRP related**

A key reform that promotes private investments is the **amendment of the legal framework for the attraction of strategic investments**. The newly adopted Law 4864/21 (OJ A 237) promotes Greece as an attractive destination to potential investors by creating a new category of strategic investments with additional incentives, simplifying and consolidating the licensing procedure, and adding new fields of economic activity and potential Important Projects of Common European Interest (IPCEI). In addition, the new Law 4887/22 (OJ A 16) introduced a new category of strategic investments, the "Emblematic Investments of Great Significance". Moreover, two joint Ministerial Decisions entered into force in June 2022 regarding: a) the creation of a three-member Committee responsible for evaluating the emblematic nature of investments and b) the description of the procedure that needs to be followed for the characterization and implementation of strategic investments, as well as the incentives provided to investors. The next steps concern **the Selection of 'Emblematic Investments of Great Significance'** eligible for being financed by the RRF, which is estimated to be completed no later than the 4th quarter of 2023. Regarding **the Information System of Strategic Investments and the Investor Information Line**, which aim at the overall monitoring of Strategic Investments at all stages, the acceleration of investments through an information monitoring system and the provision of information to potential investors at all stages of investment implementation, the Hellenic Republic Asset Development Fund (HRADF), acting on behalf of the beneficiary (Ministry of Development and Investments), has carried out the tender process according to Article 5B of Law 3986/2011, for the assignment of the project. The contract was signed in December 2022 and the project is expected to be completed in Q2 2023 for the Information System of Strategic Investment and at the end of 2023 for the Investor Information Line.

Furthermore, the Greek RRP supports through specific reforms and **investments the economic and social transition as well as territorial cohesion and convergence of the coal-dependent areas**. Regarding Just Transition areas, the measure **"Revitalization actions of the most affected territories (Just transition territories)"** covers the cost of the rehabilitation works in old mines areas (Western Macedonia and Megalopolis), which is expected to mitigate part of the negative effects of delignification. The restoration works prepare the necessary areas in order to facilitate future investments and financial activities. A Greek State SPV, which has been established by the L. 4872/2021 under the company name "METAVASI SA", will be the new rightful owner and land developer of the transferred lignite areas. The Framework Agreement of par. 4 of article 155 of L. 4759/2020, which determines among others the geographical areas to be transferred from the Public Power Corporation

to the State, was signed, ratified and entered into force by the issuance of L. 4956/22 (OJ A' 140). Additionally, the relevant Share Purchase Agreement (SPA) was signed between the contracting parties (PPC SA and METAVASI SA). The next steps include: a) the approval of Special Urban Plans and b) the notification of award of contracts for Land rehabilitation in Western Macedonia and Megalopolis which will be made according to the land transfer schedule plan. With regard to Special Urban Plans, next steps concern the public consultation with the relevant public authorities and the public local bodies for the Strategic Environmental Impact Assessments (SEIA), formal opinion by the Central Council of Urban Issues and Disputes (CUID) and submission of drafting of Presidential Decrees to the Court of State for review. The issuance of the Presidential Decrees of Special Urban Plans is expected to take place in Q1 2024 after their approval by the Court of State.

Under the Greek RRP, authorities are aiming to **simplify the procedures** faced by enterprises during their interaction with the administration and to **improve the business environment**. This reform will promote a sustainable and digitised business environment by reducing the regulatory burden on businesses and improve market access. Regarding Quality Infrastructure, the request for technical support (through a public tender) was published in early February 2023 and it is expected that the contractor will be selected in April 2023. The regulatory framework will be ready until Q4 2023. Moreover, the cooperation between GSI and OECD has already begun regarding licensing, inspections, market surveillance and manufacturing activities in Attica and the development of the relevant deliverables is on track. Regarding consumer protection, the inspections reform has been completed.

Another reform under the Greek RRP is the **ease of doing business**, which aims at improving the business environment through 20 sub-projects. The expected impact is to ensure reduced procedures, time and cost in five sub-areas: enforcing contracts, getting credit, getting electricity, registering property, paying taxes, and getting a construction permit as well as a stable and predictable legislative framework. Most important sub - projects include: i) The creation of a Register of Security in movable assets; ii) The development of an electronic application for the transfer of properties and iii) The interconnection of the Electronic Construction Permit Issuance system (e-Permits) with other public entities' IT systems. The total budget amounts to 4.8 million euros (including VAT). Within 2023, an initial version of the electronic application for the transfer of properties was launched. The completion of the project is expected by Q2 2024.

A new state aid programme aims to the **development of new generation industrial parks**, transforming zones of high industry activity to industrial parks and the expansion, upgrade, modernisation of existing industrial parks, for them to adapt to the needs of Industry 4.0, sustainable development, and challenges such as the climate change and the occurring energy crisis. In particular, issues of energy efficiency and independence have been set at the cornerstone of this call as we need to ensure that our industries will use climate friendly, renewable energy resources, without depending on external, non-EU partners. The project of industrial parks has a budget of one hundred million. This call concerns approximately sixty-four (64) million, while thirty-three (33) million are to be allocated for the ThessINTEC park. The relevant call for proposals has been launched. The evaluation of proposals is

expected to proceed on time so that the final ministerial decision that lists the chosen investment proposals qualifying for aid will be issued by early Q3 2023.

Another state-aid programme under the Greek RRP aims to financially support very small, small, and medium manufacturing enterprises of the Greek industrial ecosystem, for adapting to the needs of the digital, and green, transition (**smart manufacturing**). Primary goal is to increase business competitiveness and establish a resilient and future-oriented industry, through the enhancement of technological/digital infrastructure and the upgrade of manufacturing equipment using, inter alia, AI, robotics, machine learning, automation, etc., with zero environmental impact. The call is aimed at very small, small, and medium businesses, and the budget is allocated according to the needs of the Greek manufacturing industry. Therefore, 80% of the budget will concern proposals from very small and small enterprises, while 20% will be allocated to medium enterprises. As a result, the lowest acceptable investment proposal shall be two hundred and fifty thousand euros (250,000) and the highest six million euros. The relevant call for proposals has been launched. The evaluation of proposals is expected to proceed on time so that the final ministerial decision that lists the chosen investment proposals qualifying for aid will be issued by early Q3 2023.

Moreover, authorities also aim to increase the effectiveness, efficiency and relevance of the government's policy in **combating illegal trade and protecting intellectual property**, considering the current challenges, needs and expectations of both citizens and businesses, strengthening resilience and where necessary, tailored to the digital transition. The fight against illicit trade, the protection of intellectual property and the value of trademarks have been highlighted by the Government as a matter of national security and a development policy. DIMEA, with the implementation of this proposal, seeks to expand / strengthen its activities in the field of smuggling and illegal trade. All necessary actions concerning the implementation of the corresponding reforms are being implemented according to the initial time schedule. More specifically the tender procedure regarding the introduction of new, modern and interoperable, electronic control tools has already been completed. The development of subsystems, digital services and the installation of the information system to the GCloud are currently in development by the authorised corporation and are being expected for delivery to the allocated Committee. Moreover, the project regarding the setting up of an Operation Center for DIMEA is progressing according to schedule. Specifically, as long as the ISOBOXES in different parts of the country are concerned, the treaty has been signed and a Committee has been assigned to supervise the final delivery process. The hiring process for thirty (30) new staff members, who will strengthen the overall capacity of DI.M.E.A. is expected to take place after the announcement of the official contest. Meanwhile, regarding the equipment of DI.M.E.A., thirteen (13) plug-in hybrids and electrical powered vehicles, along with seven (7) chargers for the aforementioned, are to be delivered by the Committee. Last but not least, the introduction of information and educational material for both businesses and consumers is still under way.

**The National Strategy for Trade Facilitation**, during its second implementation period (2020 –present), is being coordinated by the Ministry of Foreign Affairs. The reform aims at facilitating trade by streamlining administrative procedures for companies operating in Greece. Its implementation includes

a series of actions, in line with the provisions of the WTO Trade Facilitation Agreement (TFA), aiming at reviewing and simplifying existing pre-customs and customs procedures, identifying unnecessary administrative burdens and/or costs for companies, allowing for the establishment of a Single and Integrated IT system (Single Window) in line with international best practices. On June 28, 2022, the Governmental Trade Facilitation Committee unanimously approved the Trade Facilitation Roadmap for the period 2022-2026. In order to support the Working Group that supervises the implementation of the project, four specialised sub-groups were established with the participation of representatives of all involved Authorities in order to provide necessary technical expertise. Within the framework of this reform, the Ministry of Foreign Affairs is pursuing the objective of digitising its services, whereas special effort is given to the digitization of the Dual-Use Goods & Arms/Ammunition Export Licences. This project is included in the NRRP and its implementation is expected to be completed by 31 December 2023. Furthermore, in cooperation with the Ministries of Transport & Infrastructure and Development & Investments, the ratification of the Protocol of the United Nations Social Commission on the Electronic Bill of Lading (E-CMR) is currently being processed. During the first half of 2023, the Trade Facilitation Working Group will convene to record progress on individual ministries' actions and to recommend to the Governmental Committee, convening at a second stage, possible interventions in order to resolve drawbacks. In addition, a draft law on the electronic bill of lading is expected to be ratified by the Parliament and then its pilot implementation will be launched.

This action consists of the development of digital tools that favour the simplification of services and therefore advances the functioning of the EU Single Market, through better access for companies operating in Greece, to digital services.

**Digitalization of the Economic Diplomacy Network** refers to a set of policy reforms which aim to digitalise and modernise the Economic Diplomacy Network. The reform incorporates the continuation and expansion of a relevant set of activities already included in the 2014-2020 NSRF implemented by Enterprise Greece/Ministry of Foreign Affairs. Moreover, it aims to enhance the Economic Diplomacy Network with top-level digital tools and enablers. In addition, training of exporters aims to build capacity and reskill/upskill Greek companies in order to develop value propositions, upgrade their production or commercial activity and expand their international sales by giving them access to global value chains. This training program will provide re-skilling and upskilling of the local export base in targeted sectors, so as to upgrade local production, import new technologies and know-how and ultimately, boost exports by liaising them with “productive” investments. This project is included in the NRRP and its implementation is expected to be completed by the end of Q2 2024.

This action consists of the development of digital tools and the enhancement of commercial activity that advances the functioning of the EU Single Market, through better access for companies and exporters, to digital services and new technologies.

**The maintenance and the upgrade of the facilities of the Olympic Athletic Sport of Athens**, the improvement of the energy performance of the complex and the expansion of its use, constitute a primary goal of the Deputy Ministry of Sports. The project, which costs 56,432,977€, funded by the RRF



is under implementation. The main target is to repair the Olympic complex, as well as to improve its operational performance so that it can be transformed into a modern, vibrant and profitable urban destination for all the citizens. Within 2022, the invitation to Submit Offers for the development of the forwarded preliminary study for the rehabilitation of the complex and the Signature of the contract with a contractor for an extended period inspection have been completed. The implementation of the maintenance, repair and replacement of the parts of the metal structures and polycarbonate roofs of the facilities, the final study and execution of targeted structural rehabilitation works in the relevant building facilities, as well as the restoration and upgrading works of the surrounding area, are scheduled from Q3 2023 to Q1 2024.

**Tourism Development** is a measure which aims to diversify the tourism product and contribute to the economic resilience and sustainable development of a key sector in the Greek economy. The Ministry of Tourism aims to perform improvement in mountain tourism facilities and tourism ports and, in general, enhance thematic tourism forms that could create spill-over effects and enhance territorial cohesion. To this end, the measure includes the following subprojects: (i) Destination management (SUB 1), (ii) Mountain tourism (SUB 2), (iii) Health & Wellness Tourism through thermal spring utilisation (SUB3), (iv) Agrotourism and Gastronomy (SUB 4), (v) Upgrade of tourist ports (SUB 5), (v) Accessible beaches (SUB 6), (vi) Diving and underwater tourism (SUB 7). The project also includes contracts with PMOs to provide the Ministry with technical support to implement the measure. As of September 2022, the reform of the legal framework for tourist ports and ski resorts, including amendment of provisions relating to installation and operation licensing in line with the Investment Licensing Law 4442/2016, as well as the establishment of PMO for supervision of investments in upgrade of Tourist ports, have been completed successfully. The overall review of the project's planning is ongoing. The next steps until Q2 2023 include: i) the Launching of the calls for proposal for the selection of beneficiaries regarding subprojects 2, 3, 5, 6, 7 and ii) the launching of the calls for tender for the industry study and branding activities to create a network of agri-food, gastronomy, and tourism stakeholders (AGTIS) (SUB4). The total budget of the measure amounts to 259,692,800 € (including VAT).

This measure favours the functioning of the EU Single Market, given that it favours entrepreneurship, supports and gives incentives to businesses and therefore serves the movement and residence of workers and businesses.

### **Part C - Not RRP related**

In addition to the above-mentioned RRP investments, further actions are planned to promote private investment, including the **implementation of the institutional framework for private investments**. The objective of this action is to publish the invitations to tender for state aid schemes, together with all the relevant administrative decisions, so that investors can apply to the competent authorities, and to issue all the administrative decisions to complete the authorisation procedures for each state aid scheme and cycle. From July 2022 to March 2023, four (4) tenders have already been published. The "Entrepreneurship 360o" State Aid Scheme is running (expiring on 10 April 2023), while the applications for the remaining three (3) schemes have been closed (Agri-food - Primary Production and Processing of Agricultural Products, Manufacturing - Supply Chain, Enhancement of Tourism Investments). The new

registry of evaluators, the examination procedure for evaluators, the establishment of committees for the evaluation of investment projects, have been set up by virtue of Ministerial Decision. Moreover, guidelines for the evaluation of applications submitted to the "Manufacturing - Supply Chain" State Aid Scheme, have been issued. The evaluation process is expected to start shortly and will be completed (i.e. the provisional tables of beneficiaries) within the next three (3) months, including the appeals stage. In addition, the state aid scheme for "Just Transition Development" has been pre-published in order to achieve better preparation of investors. By the end of May 2023, two (2) further tenders (2nd cycle) are expected to be published for the State aid schemes "Enhancement of Tourism Investments" and "Manufacturing - Supply Chain".

Moreover, as part of the **implementation of the Institutional Framework for Strategic Investments**, the objective is to complete the procedures related to the approval of strategic investments as well as the granting of the necessary licences. From April 2022 to March 2023, nine (9) new strategic investments have been approved by the Interministerial Committee for Strategic Investments (DESE). The evaluation procedure for new strategic investments is ongoing. In addition, one Presidential Decree (PD) and one Joint Ministerial Decision (JMD) approving the Special Spatial Development Plan of Strategic Investment (ESXASE) were published for the investments of RND Investments Greece and Mirum, respectively. Four (4) PDs are in the process of being drafted by the competent body of the General Directorate for Strategic Investments and are expected to be circulated to the competent ministries.

In the same context **the administrative decisions for the establishment of foreign and resident companies under the L. 89/1967 and to attract foreign capital through the use of L.D. 2687/1953 and the grant of specific benefits**, are planned to be issued. The new contract with Moody's for the TP Catalyst database (necessary for the examination of the cost-plus rate) has been completed. Three Committees (art. 2, L. 89/67) have already convened to examine the nine (9) applications for the establishment under the regime (8 applications for the amendment of the cost-plus rate). The procedure for the publication of the nine (9) decisions is ongoing. Furthermore, one (1) application is currently being examined under the L.D. 2687/1953 for the development of a large-scale tourism project. The competent Committee has been set up and in the next weeks will convene in order to provide its opinion upon the requested benefits. In addition the PD for this project is going to be completed by the end of 2023.

Furthermore, the actions regarding **the implementation of the legal framework for private and public sector partnership (PPP)** consist of the completion of the procedures related to the approval of PPPs under L. 3389/2005 and the maturity of the projects handled by the EBRD. In relation to the above framework, four (4) PPP projects (corresponding to 6 PPP contracts) have been approved for signature by the Court of Audit for the period from April 2022 to March 2023. In addition the Greek Project Preparation Facility (PPF) has been utilised in six (6) PPP projects. Moreover, in the field of cooperation with EBRD, the National E-mobility Strategy and the PPP Strategy for Transition Areas have been concluded. The PPP Information System has also been developed. The standardisation of PPP procedures and documents has proceeded without delay. From April 2023 until June 2024 at least three (3) more PPP projects are expected to be approved by the Court of Audit and signed. The Greek PPF is

expected to be utilised in at least 3 more PPP projects. The testing and training period of the PPP Information System is expected to be completed in Q2 2023 and the standardisation of PPP procedures and documents is expected to be completed in Q4 2023. More detailed information is provided on Table 1 – 2020 CSR 3, subpart 1.

**Information and publicity activities will be developed to promote investment**, to inform stakeholders (investors, local authorities, regions, etc.) about the possibilities to support investment projects and to consult on new objectives. The new website of the General Secretariat for Private Investment and PPPs (improving the information available to the public in a consolidated way for strategic investments, development law and PPPs) is fully functional as of July 2022. The final delivery regarding the operation of the website will be completed by Q2 2023.

Apart from the above-mentioned reforms, a number of private investments are being promoted and funded under the **Partnership Agreement 2014-2020**. Under the PA 2014 -2020, in the reference period (01/04/22-31/03/2023), 26 new calls for proposals were issued under the Programme "Transport Infrastructure, Environment and Sustainable Development 2014-2020" of a total budget of 248 m euros and 12 new calls for proposals were issued under the Programme "Competitiveness, Entrepreneurship and Innovation 2014-2020" of a total budget of 178.1 m euros. Regarding the **Partnership Agreement 2021 -2027**, the E.C. approved 9 sectoral and 13 regional programs during the reference period. Furthermore, 5 calls for proposals were issued for the digital and green transition of SMEs under the Programme "Competitiveness" of a total budget of 1bn euros, 1 call for proposals was issued under the Programme "Environment and Climate Change" of a total budget of 3.6 million euros and 1 call for proposals was issued under the Programme "Civil Protection" of a total budget of 100 million euros. Next steps include the full activation of the key sectoral Programmes within 2023 (approximately 10.31 billion euros), as well as the activation of projects of strategic importance, such as the "Green Fund for Sustainable Development", the "Energy efficiency with renovation of the existing housing stock" and the "GReco Islands Initiative". This action advances the functioning of the EU Single Market, given that it favours private investment.

Towards the promotion of private investments, Greek authorities work on the preparation and implementation of a comprehensive and modern National Strategy for Industry and the actions and measures under its context. The development of the Strategy, as well as the Action plan, has been completed, while its implementation is in progress.

With a view to contribute to the **extension of EU's Green Lanes Initiative** to the borders between CEFTA partners and EU Member States, Greece undertook to work closely with its Western Balkan neighbours in order to implement the concept of Green Lanes in designated Border Crossing Points with Albania and North Macedonia. This initiative aims at enhancing connectivity and regional cooperation in order to deal with the turmoil in the global transport and logistics chains and preserving economic stability and welfare via the establishment of resilient supply chains. In this context, a meeting took place in July 2022 in Thessaloniki (Thessaloniki Connectivity Forum) between the five EU Member States bordering the Western Balkans (i.e. Greece, Bulgaria, Croatia, Hungary and Romania) with the six neighbouring countries of the Western Balkans. The initiative has been implemented through the European

Commission's cooperation with the Regional Cooperation Council (RCC) and the Transport Community and the Central European Free Trade Agreement (CEFTA). During the meeting, the Independent Authority for Public Revenue of the Hellenic Republic and the Customs Administration of the Republic of North Macedonia signed a Memorandum of Understanding on electronic data exchange with the intention to facilitate the establishment of the first operational EU-CEFTA Green Lane Border Crossing Point. The implementation of this MoU is gradually proceeding. Based on the lessons learned from its implementation, a second MoU between the Greek Independent Authority for Public Revenue and the Albanian Customs Administration is currently under examination. The next Forum is expected to be held within the current year aiming at the signing of similar MoUs with other Western Balkan countries.

In order to better organise the exporting sector of the Greek economy, the Ministry of Foreign Affairs is in the process of **developing a registry of exporting companies**. The “Exporters’ Registry” constitutes an attempt to bring together all Greek export-oriented enterprises, from various dispersed sources, to a central, single database. This database can later serve as a platform for exchange of information and as a prime data source for the Economic & Commercial Offices of the Greek Embassies worldwide contributing thus to the enhancement of the extroversion of the Greek Entrepreneurship. A pre-study for this issue has already been drafted, whilst contribution of relevant business records from Enterprise Greece and Export Credit Greece will provide additional value to the project. Under the auspices of the Ministry of Foreign Affairs, the new Registry can become an addition to the official Agora Website which is purely targeted to Greek Export Companies. This action advances the functioning of the EU Single Market, given that it favours entrepreneurship and commercial activity.

Moreover, the **development of the Export HelpDesk** aims at supporting Greek exporting companies or potential exporters by digitalizing the procedure of obtaining specialised information, guidance and consulting regarding target markets and export procedures, as well as providing export advisory support on matters of creating an exportable product, ways to find customers abroad, participation in international exhibitions, etc. The project Export HelpDesk is implemented within the framework of Operational Program Competitiveness, Entrepreneurship and Innovation 2014-2020 (EPANEK), funded by the European Social Fund. The software for the platform has been developed and delivered (Q1 2023). The trial period for adjustments and possible corrections is underway and training of the personnel is currently being carried out. The soft launch is in the pipeline for June 2023. This action consists of the development of digital tools that favour the simplification of services and therefore advances the functioning of the EU Single Market, through better access for companies and exporters, to digital services.

Through the reform of Greece’s Economic Diplomacy, the Ministry of Foreign Affairs was put in charge of the whole economic diplomacy network, including Enterprise Greece, since July 2019. As a result, a single, coherent structure was created gathering all units responsible for economic extroversion under the same umbrella. In this context, **Enterprise Greece undertook a series of reforms targeted at its internal restructuring**, some of which have already been completed (i.e. Regulation of Operation, Internal Audit Regulation etc.), while others are still ongoing. Next steps include: (a) revamping salary and compensation plan by an up to date Salary Plan, which is prerequisite for hiring new personnel (by

Q3 2023); (b) headcount increase in Enterprise Greece for permanent staff, as per strategy and business plan (by Q4 2023) and (c) updating the internal regulation for procurement in order to facilitate procurement procedures and enhance capacity to support the competitiveness and export capacity of SMEs (by Q1 2024).

**The reform of Export Credit Greece (ECG)** that took place in March 2022 was implemented in order to adapt to the fast-changing global trade finance environment. More specifically, the new structure covers not only the insurance, guarantee and financing of short-term, medium term and long-term export credits and all kinds of transactions related to the export activity, but also intends to provide further financial tools for the development of the country's exporting sector, and especially the small and medium-sized enterprises. The added value of the ECG reform to the Greek economy is expected to be significant. In particular, through its expanded activity - over a five-year period - it is estimated that it will have supported exports of more than €8 billion, creating a corresponding value added to GDP, but also a significant increase in employment through the creation of direct and indirect jobs. In this framework, ECG is receiving technical assistance by its Italian counterpart SACE for the implementation of a new business model and the development of new products to be offered to the Greek companies. The reform is gradually implemented, starting with the adoption of the Law 4918/2022 (Government Gazette A' 68/31.3.2022), the relocation of the company to new offices (Q1 2023) and the completion of recruitments (Q1 2023). Next steps include the expansion of the portfolio of offered products (Q2 2023 - Q4 2024), the adoption of new Corporate Organization and Governance (Q4 2023), the development of a new IT Infrastructure (Q2 2023 - Q4 2024), the development of a Sales/Marketing Mechanism (Q2 2023), the implementation of the Company's Policies according to the OECD Council's Proposal on Bribery in the context of Medium to Long-Term Export Credits that receive Public Support (Q2 2023 - Q1 2024), as well as the implementation of the Company's Policies according to the Proposal of the OECD Council for Common Approaches to Officially Supported Export Credits, in the context of Environmental and Society Protection (Q1 2024). This action advances the functioning of the EU Single Market, given that it favours access of enterprises to finance.

The technical assistance project **Reforming and Restructuring Economic Diplomacy** in Greece implemented by the Netherlands Enterprise Agency (RVO) aims at contributing to the goal of establishing a unified operational network of economic diplomacy, with a view to significantly increasing the country's international trade and attracting foreign investment in Greece by creating synergies between the different structures involved. The program was launched on April 19, 2021 and was completed on March 31, 2023. Since April 2022, the final outputs of the program were delivered, which include: (a) drafting of concrete procedures for cooperation between the General Secretariat for International Economic Affairs (MFA) and its supervised bodies (Enterprise Greece and Export Credit Greece) that describe in a stepwise manner several aspects of their interaction, (b) development of a monitoring and evaluation manual that can be followed by all key actors of the MFA ecosystem for measuring the impact of their actions, (c) recommendations for developing a more systematic and better structured Public-Private Cooperation and Partnership, (d) best practices on the operation of the Trade Facilitation Committee and the digitization of the procedures for issuing export licences for dual use products and for phytosanitary certificates, (e) best practices on rules and procedures for private

sector involvement in the implementation of development cooperation programs in partner countries. This action advances the functioning of the EU Single Market, given that it favours entrepreneurship, commercial activity and investment.

Furthermore, the **certification of the Offices of Economic and Commercial Affairs** of the Ministry of Foreign Affairs of the Hellenic Republic according to the quality management standard ISO 9001:2015 aims at securing the compliance of the services offered by the Offices with the international standards issued by the International Standardization Organization (ISO). The goal is for the ECA Offices to provide better and more qualitative services to the Greek exporting companies. With the funding of NSRF, an update to the already existing Quality Handbook took place and a web-based platform was developed in 2022 for the paperless management of all the information, files and procedures that the quality management system requires. The next step is the certification process which is scheduled to be launched within 2023 and to be concluded in 2024.

With a view to reinforcing the extroversion of the Greek exporting companies, the Ministry of Foreign Affairs and the Union of Greek Regions are closely cooperating in order to **establish Extroversion Offices for supporting businesses in each Region**. These offices will be operating with the support of Enterprise Greece and Export Credit Greece, in close cooperation with the Regional Authorities, the municipalities and the respective local institutions (Chambers of Commerce etc). The objective of the Regional Extroversion Offices is to serve as single entry points and an export adviser to all Greek companies, offering direct access to the global network of the Ministry of Foreign Affairs, as well as to the services of Enterprise Greece and Export Credit Greece. Next steps include the signing of separate MoUs between Enterprise Greece and the Regional Authorities, the securing of necessary resources (personnel, funding, and premises) for the establishment of the first Extroversion Offices in Central Macedonia, the Ionian Region and the Region of Western Greece within 2023.

**The National Strategy for Extroversion** is a key tool for the Ministry of Foreign Affairs setting tangible and measurable objectives, tailored to the needs of a flexible economic diplomacy policy. Through the Strategy, all State and private bodies in Greece work together towards the setting of goals, actions and sectors in priority countries throughout the year. In this context, the success of the venture of implementing integrated economic diplomacy by the Ministry of Foreign Affairs is proven in practice, by implementing the vision of defending and enhancing Greek economic and commercial interests internationally, attracting foreign investment in targeted sectors of the Greek economy, as well as being actively involved in multilateral international economic organisations. In October 2022, the process of compiling the annual plan for 2023 was launched resulting in the 3rd (since its inception in 2021) consecutive National Strategy for Extroversion 2023. In Q1 2023, the evaluation of the annual plan for 2022 was completed. The consultation for the National Strategy for Extroversion 2024 is planned for Q4 2023.

Enterprise Greece, in close cooperation with the Economic & Commercial Offices of Greek Embassies, inaugurated the 1st joint service of the Economic Diplomacy Network, namely an end-to-end **“Business Matchmaking Service”**. This aims at supporting Greek Companies to identify new potential clients/partners/ importers/distributors abroad in target market(s), and hence expand their goods/services

portfolio internationally so as to increase exports. In this context, 3 pilot programs were conducted in Q4 2022 and Q1 2023 - in the USA, Spain and the UAE - addressing four different sectors and markets. Information and lessons learned were collected to effectively design the service, the collaboration and sharing of responsibilities between the two entities, and better understand the needs and expectations of the companies. The service provided in the 3 pilots included identification, evaluation of potential firms' profile, arranging and attending appointments and finally reporting and follow up. Next steps include the identification of the final service description, process and deliverables as well as suggested service branding, in cooperation with the Economic and Commercial Offices. Upon internal approval by both organisations of the final service, soft launch is expected by Q3 2023 and consequent execution of 2 programmes by the end of 2023 and at least 4 programmes by Q2 2024 is planned. This action advances the functioning of the EU Single Market, given that it favours entrepreneurship and commercial activity.

**The upgrade of the sports facilities and the proper utilisation of the Olympic venues** that have been neglected since the Olympic Games of 2004, constitute a vital priority for the Deputy Ministry of Sports. Within 2022, the Deputy Ministry of Sports has started the implementation of the masterplan of the "revival" of the Olympic Village and the construction of the Paralympic Sports Center, the first sport facility aiming at people with disabilities in the area of Paiania. The project of the Paralympic Sports Center will be auctioned and the construction will have been started, within the second semester of 2023. Regarding the Olympic Village, by Q2 2024, many improvements of the facilities, like the upgrade of the Olympic pool and the construction of a new venue for the fighting sports, will have been implemented.

Moreover, GNTO's core project is to **promote Greece as a year-round tourism destination** and further solidify Greece's position as an attractive, modern, and evolving country. In this context GNTO has developed and implemented: a) an annual advertising plan; b) a co-advertising plan and c) a PR plan for reports & activities, within 2022. GNTO designs and implements marketing plans and advertising campaigns for international, national and regional audiences, creating a new narrative for Greek tourism. Based on the popular '3S' - sun, sea and sand- product - GNTO highlights the country's wealth of authentic thematic experiences, focusing principally on culture, gastronomy, outdoor activities and green experiences but also wellness, luxury and city breaks. Next steps by the end of 2023 include: i) the development and implementation of an annual advertising plan for 2023; ii) the development and implementation of a co-advertising plan for 2023; iii) the implementation of the plan of reports & PR activities of 2023 and iv) the design of a plan of PR reports & activities for 2024.

This action favours the functioning of the EU Single Market, given that it favours entrepreneurship, supports and gives incentives to businesses and therefore serves the movement and residence of workers and businesses.

In the same context, **systematic showcasing of thematic and special forms of tourism** is an action which aims at completing the legal and/or regulatory framework for business activities in thematic tourism and setting up strategies/action plans for the development and promotion of thematic tourism. The following thematic fields of tourism are targeted: diving, maritime (cruise), fishing, wine, gastronomy,

city break, luxury, cultural, pilgrim/religious, medical, thermal, rural and sport tourism. Implementation of the action is underway. Most actions are based on collaboration among competent authorities, Ministries, and tourism stakeholders. Specific Working Groups have been created for this purpose. Within 2022, several actions have been completed, such as the analysis of competition and best practices for the promotion of cycling tourism, as well as the preparation of proposals for the development of pilgrim/religious tourism. Next steps by the end of 2023 include: i) enactment of specifications and standards on guided diving at underwater archaeological sites; ii) promotion activities for wine tourism; iii) establishment of a working group on necessary legal reforms for the creation of aquacultures open to the public in collaboration with Ministry of Agriculture and Food and field stakeholders; iv) establishment of a working group on thermal tourism, preparation of legal framework reforms and v) mapping of cultural routes of religious and/or cultural interest, cross-border synergies for the exchange of know-how and possible creation of common tourism products. This action favours the functioning of the EU Single Market, given that it favours entrepreneurship, supports and gives incentives to businesses and therefore serves the movement and residence of workers and businesses.

Moreover, the project **“Programme for the exploitation of selected ports”** constitutes a reform with high added value, which is underway for the Port Authorities of Igoumenitsa, Heraklion, Kavala and Volos. Through this specific process, each port will become a pole of local development, with multiple benefits in terms of investment, job creation and increased commercial traffic at regional level. The general benefits for Greece are also expected to be highly significant, both at the economic level, with the growth in public revenues, and at the geostrategic level, with the expansion of international trade which is to be conducted through our country.

- Regarding the port of Igoumenitsa, on 6/10/2022 the Board of Directors of HRADF nominated the preferred investor for the acquisition of 67% of the share capital of the Igoumenitsa Port Authority SA. The contract was signed on 21/3/2023 and the Concession Agreement was signed on 29th March 2023.
- Regarding the port of Heraklion on 04/07/2022 the Board of Directors of HRADF pre-selected eight (8) investment schemes, which met the criteria for participation in the B' phase (submission of Binding Offers) for the acquisition of a majority stake of 67% in the share capital of the company "Heraklion Port Authority" (ALL S.A.). Then the interested investors received all the Contract Documents, while submission of binding offers is foreseen in the first quarter of 2023 (Q1 2023).
- As for the port of Kavala on 06/05/2022 the Board of Directors of HRADF nominated the preferred Investor for the assumption of the right to use, operate, maintain and exploit a multi-purpose terminal in a part of the Philip II port, of the Port Authority of Kavala S.A. The contract is estimated to be signed within April 2023 (Q2 2023).
- As for the port of Volos, on 07/11/2022, the Invitation to submit an Expression of Interest for the acquisition of a majority stake in the share capital of the Volos Port Authority S.A. was published. Within Q2 2023, the completion of the contractual texts and the submission of binding offers are expected.



This project contributes to the achievement of goal 7 (sub-goals 7.2, 7.3 (7.3 a)), goal 8 (sub-goals 8.2 and 8.3) and goal 9 (sub-goals 9.1 and 9.4) of the UN.

### **3.19. 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/doing business; and modernisation of the public administration, justice and fight against corruption**

#### **Part A - Introduction**

Broader structural reforms to improve the general functioning of the economy are pursued in areas such as fiscal structural, labour market, health care, education, the financial sector and business environment, public administration, and justice. Some of the key elements include measures for strengthening the capacity of the financial system to overcome legacy challenges including NPL resolution, improvements in the insolvency framework, actions for the simplification of the business environment and the facilitation of trade, actions addressing deficiencies in the justice system, important anti-corruption initiatives, as well as measures for the broadening of the tax base.

#### **Part B - RRP related**

An important reform under the RRP consists of **tax incentives for super-deduction of expenses** to strengthen investment by small and medium-sized enterprises, in equipment related to climate change adaptation, the promotion of circular economy, and digitalization. In particular, a strong tax incentive has been applied for realising expenses on strengthening the green economy, energy and digitisation in the form of an increased deduction of 100%. This deduction provides an additional incentive apart from the usual deduction of these expenses, which is already applied under the current Income Tax Code (ITC) provisions. As a result, these expenses are deducted for tax purposes at a percentage of 200% in total. The primary and secondary legislation has been published, is in force and applies to expenses incurred in the tax years 2023, 2024 and 2025. This reform is now in the implementation phase. The measure contributes to the functioning of the EU Single Market.

Furthermore, the **establishment of an Independent Public Credit Rating Authority** and the development of a solvency assessment/credit rating IT system aims to address the problem of asymmetric information between the public sector and private entities regarding the creditworthiness of individuals and legal entities, through their credit scoring in relation to their debts to the State, as well as facilitate the exchange of credit information ratings with credit rating agencies and create a unified rating. In this context, the development of an IT system is foreseen, which will include a central database as well as the development of a solvency assessment/ credit rating system for individuals and legal entities in relation to their debts to the State. In order to fulfil the above objectives, L.4972/2022 was issued, which provides for the establishment of the Independent Credit rating Authority. At the same time, a programmatic agreement has been signed with Information Society S.A. to launch the process of assigning the development of the solvency assessment/ credit rating IT system to a contractor. The next steps include the launching of the tender and the signing of the contract with the

contractor. At the same time, the procedures regarding the establishment and staffing of the Independent Credit Rating Authority by the Special Secretariat for Private Debt Management are ongoing.

The **development of the Central Credit Registry** concerns the development of an information system to be implemented and hosted by the Bank of Greece, which will record on a granular basis the payment history of each individual loan in all banks and financial institutions, as well as the types of collateral provided. It will interoperate with the monitoring registry for private debt, the Independent Credit Rating Authority and the existing financial behaviour data processing system of TIRESIAS S.A. The next steps include the preparation of the Technical Datasheet of the project, the launching of the tender and the signing of the contract with the contractor.

The **development of a monitoring registry for private debt** aims at the operation of an electronic database (central repository) which will collect data from all public and private creditors, as well as from any other reliable source, regarding the existing debt, in order to clarify the amount of debt that currently remains underreported (e.g. to employees, suppliers, etc.), as well as the recording of the highest possible percentage of private debt. Within the time frame of the reference period, the draft law for the establishment and specifications of the monitoring registry for private debt was drawn up. The next steps include the adoption of the law for the establishment of the registry, the drafting of the Technical Datasheet of the project, the launching of the tender and the signing of the contract with the contractor.

As a result of the requested alteration of the physical object of a standing reform under the RRP, namely, the National Private Debt Strategy, a new proposed reform regarding a **private debt risk escalation identifying mechanism** is now being proposed. It concerns: a) the creation of an electronic data collection system and a tool for assessing the risk of escalation of private debt; and b) reports analysing the data and the risk of escalation of private debt using indices. The reform proposal's approval, the creation of the project's Technical Datasheet, and the launching of the tender are among the upcoming steps.

Moreover, under the **new unified insolvency framework for the restructuring of debt and 2nd chance** (L. 4738/2020), several projects are being implemented:

- a) **Upgrade/development of an electronic platform to support the early warning mechanism** for individuals and legal entities aims to give debtors access to clear and transparent early warning tools that can identify circumstances that may lead to insolvency and point out to them the need for an immediate reaction. Within the time frame of the reporting period, a programmatic agreement was signed with Information Society S.A. in order to implement the project of upgrading the platform. The next steps include the drafting of the Technical Datasheet of the project, the launching of the tender and the signing of the contract with the contractor.
- b) **Operation of a debtor guidance mechanism in the early stages of financial distress** concerns training Services for professional advisors and employees of the regional services of SecPD, as well

as the provision of Mentoring Services by advisors to entrepreneurs and legal entities via a voucher. Concerning progress, the technical data sheet of the project has been submitted and the drafting of the tender documents regarding the training of the professional consultants and the employees of the regional services of the SecPD is ongoing. The Provision of Mentoring Services by advisors will be monitored by the Special Secretariat for Private Debt Management.

- c) **Upgrade/Development of an electronic platform for the out-of-court settlement of debts of individuals and legal entities** aims to upgrade the necessary digital infrastructures required to support the debt restructuring and debt settlement processes provided through the new unified legal framework. Within the time frame of the reporting period, a programmatic agreement was signed with Information Society S.A. in order to upgrade the digital platform. The next steps include the approval of the Technical Data Sheet of the project, the launching of the tender and the signing of the contract with the contractor.

Additionally, the **enhanced capital market supervision and trustworthiness** reform aims to enhance capital markets supervision by investing in the digital transformation of the Hellenic Capital Market Commission (HCMC)'s, digitising its internal processes and organisation and codifying, and modernising the regulatory and legislative framework for capital markets. More specifically, it includes: a) the implementation of a transaction surveillance and monitoring system, in accordance with the requirements established by the Directorate of Markets Supervision of the HCMC, b) the development of a large-scale data collection, processing, analysis and monitoring system, that will permit the collection, authentication, validation, verification, processing, analysis and monitoring of the collected data using Big Data norms, allowing dissemination and use of all available information by all interested parties in HCMC and c) ensuring cyber security, cyber defence and cyber resilience of the above mentioned systems. Concerning progress, the reformed legislative framework for HCMC is in place, while Information Society SA will implement the information system, as well as ensure the cybersecurity, cyber defence and cyber resilience aspects. All sub projects are currently in the planning phase and a technical assistant is to be appointed by mid-April 2023, through a common tender process, to provide expertise on complex issues. Calls for tenders for all subprojects are expected by the end of Q2 2023 and contracts awarded by Q4 2023. The measure contributes to the functioning of the EU Single Market.

The **enhanced AML/CFT Framework** aims mainly at safeguarding the soundness and integrity of the financial system, by increasing effectiveness in identifying ML/TF risks and by putting in place solid mechanisms to facilitate this goal, which will be applied by the competent AML/CFT supervisors, the judicial authorities, Law Enforcement Agencies (LEAs), the Anti Money Laundering Authority and the Ministry of Finance's Central Coordination Unit, under the approval of the National Strategy Committee (NSC). A prime example of such a mechanism concerns the digitization of the statistical data collection process through the creation of a relevant digital platform, in which the public authorities involved will register the statistical data that they maintain, and which relate to the prevention and suppression of money laundering from criminal activities and terrorist financing. In this way, the Ministry of Finance will automatically gather, from the competent authorities, the complete and updated statistical data that

they keep, and which will then be forwarded to the European Commission, as defined in article 44 of the European Directive 2015/849. Concerning progress, the project declaration issue has been approved, and the tender announcement is planned for April 2023, while the signing of the contract is planned for December 2023.

Furthermore, the reforms under the Greek RRP listed below contribute to **increasing the efficiency of the justice system, accelerating the delivery of justice and enhancing its quality** for citizens, lawyers and judges.

Under the aforementioned objective, the upgrade and expansion of the **Information Systems within the Justice Sector** is a crucial project that comprises the following three functional modules. Operational Module 1: Development of an Integrated Information System (IIS) to modernise the operation of the Court of Audit. Operational Module 2: A set of actions aiming to strengthen the information system of the National Criminal Registry and further extend its services. Operational Module 3: Upgrading and extending the functionality of the Integrated Judicial Case Management System for Civil and Criminal Justice (OSDDY-PP) to OSDDY-PP Phase 2. The contract regarding the above three (3) modules was awarded and signed on December 22, 2022. By June 2023, audit reports to confirm adherence to contractual obligations will be delivered.

Additionally, module 3 includes various projects such as the **Uniform System of Wills** and the **E-filing for civil, criminal and administrative justice**, which represent a significant advancement in the digitisation of judicial processes. This development is particularly beneficial to citizens, lawyers and officials as it aims to streamline and improve the efficiency of the judiciary.

Moreover, with the aim to address the issue of the inadequate digitisation of court proceedings, records and decisions, an **integrated case management system for administrative courts** called 'OSDDY-DD' was implemented in 2015. This system covers all administrative courts and the Council of State. An international tender for upgrading this system was published on 23 March 2022, and the contract was signed in Q4 2022. The project, funded by the NSRF, is expected to be completed in 2025.

At the same time, the call for tenders for the **digitisation of court documents** was published on November 24, 2022. The next steps include awarding the tender and signing the contract by Q2 2023. Moreover, the contract for the upgrading of the **Court Records Management System** of the civil and criminal courts was awarded in March 2023.

The role and contribution of judicial officers in the administration of justice is crucial as they have a significant impact on the judiciary's performance. To enhance and modernise their education, the **National School of Judges** has been assigned with the **selection, education and training of the judicial clerks** (Law 5001/2022) based on the judiciary's needs. The future judicial clerks will have the necessary knowledge and skills to perform their duties effectively. Moreover, active judicial clerks will have the opportunity to contribute to the administration of justice through training seminars and other lifelong learning activities. The implementation of the law has already begun, and the first recruitment notice

has been published in March 2023, while the written exams will take place on 22 & 23 of April 2023. The operation of the new department in the National School of Judicial Judges is expected by Q4 2023.

Furthermore, a **Judicial Clerks Performance Tool** will be adopted to enhance judicial clerks' productivity, by providing bonuses based on objective performance indicators and strategic goals (especially reducing backlog). An agreement has been signed between the Ministry of Justice and the World Bank, regarding a report, note and technical input. Primary legislation has been adopted, while a joint ministerial decision between the Ministries of Justice and Finance is to be signed within 2023.

Additionally, the **Office for the Collection and Processing of Judicial Statistics (JustStat)** established under Law 4700/2020 for the collection of statistical data, the creation of quantitative and qualitative variables and the measurement of the performance of each judicial unit is now operational. The Presidential Decree on the operation and staffing of the Office has been adopted (PD 47/2022) and its Supervising Committee has been formed, with a two-year tenure. Finally, the Business Intelligence System supporting the Office is expected to be functional by the end of 2023.

Law 4963/2022 provides for the establishment, operation and organisation of the **Judicial Police**. Judicial police is a reform with the scope to support the work of judges and prosecutors by the exercise of responsibilities by the Judicial Police personnel, and, in particular, by the conduct of preliminary examination, preliminary inquiry and investigative acts by specialised personnel, directly linked to the prosecutorial and investigative authorities, with high legal training and experience in drafting technical reports. Two Presidential Decrees were issued (PD 6/2023 and PD 31/2023) to implement this reform. The first decree established the Directorate of Judicial Police, and four regional offices in Thessaloniki and the second one defined the uniform and armament specifications for the staff. The new corps is composed of both civilian and police personnel and consists of 750 positions, with 600 allocated to the police sector and 150 to the civilian sector.

Another reform of critical importance, the planned revision of the **judicial map** throughout the country will result in a more efficient organisation of judicial districts. The establishment, abolition, or redistribution of judicial structures will be based on objective criteria, leading to a faster administration of justice. Already adopted, law 5028/2023, regarding administrative courts, aims to fully rationalise the organisation of Ordinary Administrative Courts. New technologies, including "telematic stations," will be implemented to allow for hearings and tele-proceedings. Respective legislation for Civil and Criminal Courts will come into legal effect by the end of 2023.

The **National School of Judges is enhancing its curriculum to improve the skills and digital competences of judges**. Continuous training for judges will be provided to enhance their knowledge and proficiency in the application of new technologies, specifically information technology, artificial intelligence, and electronic systems, to the advancement of law, the management of justice, and the tasks performed by the judiciary. Law 4871/2021 has been modified by Articles 73 and 74 of Law 5001/2022. The aim of these amendments is to facilitate the participation of a greater number of judges in ongoing training programs. Additionally, remote attendance is now allowed for those serving in remote areas who cannot attend in-person, and the training program's materials are now available on

the School's website, which is accessible to the general public. The objective is to increase the visibility and accessibility of the training program.

To optimise the judiciary's efficiency and avoid unnecessary expenses and efforts, the RRF will partially finance the following projects: **acquisition of buildings to accommodate courts and prosecutor's offices, court relocation, renovation and energy-efficient upgrades, and construction of new court buildings**. More specifically, the tender for the construction of the Piraeus Courthouse, which will house administrative, civil, and criminal courts has already been awarded and the contract is set to be signed within 2023, while the selection of the contractor for the construction of the Court of First Instance and the Prosecutor's Office of Athens is expected to take place by the end of the Q2 2023.

The **renovation plan** concerns the Athens Court of Appeal, the National School of Judges, the Court of Audit, the Council of State and the Administrative Courts of Athens. The inclusion decision in the RRF Project for the Administrative Courts of Athens has already been published, along with the relevant call for tenders. For the rest of the Administrative Justice buildings, the inclusion decision is to be published by Q2 2023.

The recently **revised Code of Organization of Courts and Judicial Officers** (L.4938/2022), came into effect upon its publication in the Official Gazette in June of 2022, aims to modernise and harmonise the provisions with European and international standards regarding the organisation of the judiciary. Additionally, the law intends to eliminate dysfunctions that were identified during the extended period of applying the previous legal regime. The revised Code replaces and modernises the provisions on the organisation of courts and the status of judicial officers. A set of core innovations is introduced, aiming at redefining the framework under which courts and prosecutors' offices are established, merged, or abolished. Furthermore, the revised Code allows for the possibility of converting courts wholly or partially into tele-courts. Another reform, introduced by the same law, concerns the process for appointing leaders to the country's highest courts, to ensure that it fully meets the essential requirements of judicial independence in an appropriate manner. Additionally, the inspection process has been expanded to include court and prosecution directors, who play a crucial role in ensuring the efficient administration of justice.

For the first time, a new provision requires members of the **Boards of Inspectors and Inspectors** to attend training programs organised by the National School of Magistrates before carrying out their duties. The decision to implement this training was made by the Board of the School, with the aim of equipping these individuals with the necessary tools to fulfil their roles effectively. This training will ensure that all members have access to a unified set of instructions, practices, and guidelines. Additionally, there is now a provision stating that failure by judicial officers to complete cases in a timely manner may result in salary deprivation and disciplinary sanctions, including permanent dismissal. Delay in the administration of justice is a significant issue in the judicial system, and this provision aims to address the problem. The provisions on evaluation came into effect at the beginning of the 2022-2023 judicial year (September 2022).

Law 5026/2023 aims to verify the accuracy of **asset declarations** effectively and systematically. The law modernises various provisions and procedures, such as the full digitization of the process and the clear delineation of audit work, benefiting both auditors and auditees. It also rationalises the criminal treatment of violations and significantly enhances existing arrangements legislatively and technically, where the substantive legal framework was either fragmentary or outdated, despite being adequate in substance.

Last but not least, the introduction of the institution of “**pilot trial**” in civil Justice, following the successful example of the same institution in administrative justice, is expected to accelerate the proceedings. This reform is now fully implemented.

Regarding the challenge of combating corruption, a **National System of Internal Audit in the public sector and an independent Office of the Advisor of Integrity** in the Ministries has been established. The primary objective of the newly introduced initiative is to educate and direct employees on a range of **ethical** issues and matters related to workplace integrity, such as ethical dilemmas, violation reports, conflicts of interest and codes of ethics. The relevant ministerial decisions for the establishment of internal control units in agencies as well as for the criteria for the establishment of an audit committee in agencies have been issued (December 2022). Also, the ministerial decision about the criteria and prerequisites for participating in the certification program for integrity advisors and the ministerial decision for internal auditors have already been issued (December 2021) and invitations have been sent to fill the positions of **Integrity Advisors and Internal Auditors** in various entities. From 2022 until March 2023, 14 certification programs for Internal Auditors have been carried out and 286 participants have already been certified. As far as the Integrity Advisors are concerned, 5 certification programs have been carried out and 106 participants have already been certified. For 2023, 4 training programmes for internal auditors will be carried out with 107 public servants participating, along with three programmes for Integrity Advisors with 77 participants. Currently, the Ministry of Interior is elaborating the MDs for the competences and selection criteria of Integrity Advisors, and it is estimated that till the end of April it will be issued.

Following the same direction, the Ministry of Interior in cooperation with the National Transparency Authority established the **framework for the risk management of mismanagement and corruption in the public sector**. Risk management is a structural element of the Internal Control System. The establishment of an integrated risk management system will not only help countries to be more resilient against corruption risks, but also facilitate the development of actions aimed at strengthening public integrity. In line with this, the relevant MD is currently incorporating the Risk Manager Certification Program, which will be developed in accordance with the standards set for Internal Auditor's and Integrity Advisor's Certifications.

In the same context, the National Transparency Authority established the **National Anti-Corruption Strategic Plan (2022-2025)** which is the national strategy of the country, a comprehensive framework that includes actions, interventions and projects aimed at preventing and combating corruption. NTA is responsible for monitoring the progress of action implementation, reporting, evaluating, updating, and redesigning in cooperation with all co-competent bodies.

Moreover, the new **Code of Ethics and Professional Conduct of Public Servants** follows a structured and composed approach, in order to define in a positive way, the proper official behaviour of civil servants. It includes the fundamental values of the Public Administration, the actions that make up the professional behaviour of the Public Sector employees, issues of supervision of the implementation of the Code and issues of information - awareness. The Code was published in July 2022. Currently, a ministerial decision regarding issues related to the Code of Ethics is estimated to be issued by the end of April, while the relevant Code will be published by the end of 2023.

Finally, an **electronic platform to monitor the progress on cases of the disciplinary boards** (preliminary examination procedures, sworn administrative examination procedures and disciplinary procedures) has been developed, by the National Transparency Authority. More specifically, a joint decision by the Ministry of Digital Governance and the Governor of NTA has been issued to define all operational details and deadlines for uploading relevant data for disciplinary cases. Additionally, a circular, a user manual and a help desk in NTA have already been released to provide explicit details on the new monitoring procedure. Until now, 1,018 entities have uploaded the necessary data, and by April 2023, five entities will register disciplinary cases that will serve as a pilot for the entire process.

Authorities are also working on a reform on the **amendment of the legal framework for the attraction of strategic investments** whose objective is to promote Greece as an attractive destination to potential investors. This is achieved by unification by creating a new category of strategic investments (such as the "Emblematic Investments of Great Significance") with additional incentives, simplifying and consolidating the licensing procedure, and adding new fields of economic activity and potential Important Projects of Common European Interest (IPCEI). Further details regarding the above-mentioned initiatives are provided within the framework of the challenge "Promote private investment to foster the economic recovery".

**The National Strategy for Trade Facilitation** is a reform coordinated by the Ministry of Foreign Affairs, which aims at facilitating trade by streamlining administrative procedures for companies operating in Greece. Its implementation includes a series of actions, aiming at reviewing and simplifying existing pre-customs and customs procedures, identifying unnecessary administrative burdens and/or costs for companies, in line with the provisions of the WTO Trade Facilitation Agreement (TFA). Further details regarding this reform are provided within the framework of the challenge "Promote private investment to foster the economic recovery".

### **Part C - Not RRP related**

The **new legal framework of the Hellenic Financial Stability Fund (HFSF)** (Law 4941/2022) adopted in June 2022, is expected to support the transition of Greek credit institutions into ordinary supervised entities and help ensure a level playing field with other European credit institutions. More specifically, the new law amends the HFSF founding law in three main ways. First, on the lifetime of the Fund, by extending its duration until December 2025, and on the HFSF governance structure, by replacing the two-tier governance model of the Fund with a single governance body, the HFSF Board. Second, on the divestment strategy of the Fund, which shall take place within a specific horizon and within the lifetime



of the Fund. Third, on the HFSF's special powers and rights, by removing all restrictions on voting rights associated with the shares and/or other instruments held by the HFSF in credit institutions. With these measures, HFSF's special role in the Greek credit institutions is rationalised, bringing the HFSF closer to an ordinary shareholder in accordance with general corporate and banking law. More detailed information is provided on Table 1 – 2022 CSR 2, subpart 3.

Also continuing in 2023 is **compliance with European financial legislation**:

- a) Regulation (EU) 2019/1238: The pan-European personal pension product (PEPP) is a voluntary personal pension scheme that will offer consumers a new pan-European option to save for retirement. This new type of product is designed to give savers more choice and provide them with more competitive products, while enjoying strong consumer protection. It could be offered by a broad range of financial providers such as insurance companies, asset managers, banks, certain investment firms and certain occupational pension funds. The Regulation on the PEPP, which applies from 22.3.2022, establishes the legal foundation for a pan-European personal pension market, by ensuring standardisation of the core product features, such as transparency requirements, investment rules, switching right and type of investment options. It will ensure sufficient consumer protection while at the same time being flexible enough to enable different providers to tailor products to suit their business model. The national measures for the implementation of this Regulation have been voted in April 2023 by the Hellenic Parliament.
- b) Regulation (EU) 2022/2036: The objective of this Regulation, which applies from 14.11.2022 - with the exception of Article 1, point (3), point (5)(b), and points (7), (8) and (9) which shall apply from 1.1.2024 - is to fully harmonise the prudential treatment of the holdings by intermediate entities of internal MREL eligible resources of entities in the same resolution group and to revise in a targeted manner the requirements for own funds and eligible liabilities for G-SIIs and for material subsidiaries of non-EU G-SIIs. According to art. 3 of the above Regulation, transposition into national law of points 1 and 3 of art. 2, which amend Directive 2014/59/EU, shall be completed by 15 November 2023. In Q3 2023, the Ministry of Finance, in collaboration with the Bank of Greece, will proceed to the necessary amendments in our national law, so that points 1 and 3 of art. 2 of the Regulation are timely transposed.
- c) Directive (EU) 2021/2167: According to art.3 of this Directive, transposition into national law must be completed by 29 December 2023. A law-drafting committee has been established for the transposition of the Directive, the work of which ends on 30/6/2023 and compliance will take place before the end of the year.
- d) Regulation (EU) 2020/852: This Regulation establishes the framework to facilitate sustainable investment, and amends Regulation (EU) 2019/2088. The national measures for the implementation of this Regulation are being examined in collaboration with the Bank of Greece, the Hellenic Capital Market Committee and the Ministry of Labor and Social Affairs.

With regards to NPLs, the **Hellenic Asset Protection Scheme 'Hercules'** was designed to assist banks in securitising and transferring NPLs and facilitate the provision of new, viable credit. Following the European Commission's approval in April 2021, the 'Hercules' scheme was prolonged for another 18 months until October 2022. Since the introduction of the scheme in October 2019, Greek banks have made significant progress in reducing the stock of their NPLs which reached single digit percentages at the end of 2022 (8.7%). In summary, the guarantees granted to securitisations submitted during the first phase of the scheme (Hercules I) amount to EUR 11.7 billion, while the guarantees granted to securitisations submitted under the second phase of the scheme (Hercules II) amount to approximately EUR 7 billion. In total, EUR 18.7 billion of guarantees have been granted so far under the scheme. More detailed information is provided on Table 1 – 2020 CSR 4, subpart 1.

Under the **new unified insolvency framework for the restructuring of debt and 2nd chance** (L. 4738/2020), several projects are also being implemented outside the scope of RRP: With regard to the **Out-of-Court Workout Mechanism**, a number of legislative and technical improvements were completed during the reporting period in order to broaden the scope of the mechanism, facilitate the application process and automate procedures. At the same time, improvements and new implementations in the operational environment of the platform of **Early Warning Mechanism** and Electronic Solvency Registry have been launched and will continue during the next reporting period. Furthermore, the development of the remote debtor's service system **«myEGDIXlive»** is aiming to provide best quality services to debtors by a remote multichannel service system (help desk, phone service and teleconference service). The multichannel service began its operation within the reporting period (Q4 2022) providing services about the out-of-court debt settlement mechanism, in order to increase the settlement rate. Incorporating new thematic services (Vulnerable Debtors, Interim Program, and General Information) is anticipated to happen in the upcoming time frame, and the number of staff members who provide services via the multichannel system will also increase. More detailed information is provided on Table 1 – 2020 CSR 4, subpart 1.

The **reform of the objective value zone system**, which is now under implementation, aims to develop a system that will monitor trends in the real estate market in real time, ensuring the equation of the objective values with the market values, thus resulting in a more efficient and socially fair property taxation. Technical assistance is provided in order to develop the appropriate procedures and tools. The reform includes: (a) full digitization of the rural areas property valuation system in order to upgrade it and gain overview for better alignment with market values, (b) upgrading the property valuation system with the introduction of a suitable Computer Assisted Mass Appraisal (CAMA) system, adapted to the specificities of the Greek property market. The submission of the respective study by the technical assistance consultant regarding the optimization of the system and the digitization/georeferencing of its elements in rural areas is expected by Q4 2023 and the project shall be concluded by the end of 2025. More detailed information is provided on Table 1 – 2020 CSR 4, subpart 1.

The purpose of the project "**Reform of the Regional Ports Governance System in Greece**" is to modernise the national port administration system by reforming the governance model of the system's secondary ports. This reform aims to enhance their competitiveness, performance, and efficiency, while

also promoting the contribution of ports to the local and regional economies, greening sea transport, improving multimodality, and raising the quality of services. A study was conducted with funding from the DG REFORMS's TSI Programme to assist the responsible national authorities in designing, developing, and implementing the reform. Tasks that are yet to be completed up to Q2 2024 include: finalisation of the report and conclusion of the study (Q2 2023), publication of a white paper on the regional ports governance system, public consultation on the draft law (Q4 2023), and law enactment (Q1-Q2 2024).

In the justice sector, a project has been developed with the objective of providing citizens and lawyers with real-time access to court dockets via the internet. The project aims to launch an information system which focuses on the implementation of **e-dockets and remote trials** (tele-trials). The pilot e-dockets subsystem, which has already been implemented in the Athens Court of First Instance, has also been expanded to the Thessaloniki Court of First Instance. In addition, telematic courts will be able to operate through this system. The project has already begun and is expected to be completed by Q2 2024.

Moreover, a **Public-Private Partnership** funded project, complementing the RRP project for the **court buildings**, is being developed in three different geographic areas, namely Central Greece (the call for tenders has already been published), Northern Greece (the second phase of PPP competition is ongoing and the award to the contractor is expected by the end of Q2 of 2023) and Crete (the decision regarding the inclusion of this project in the national development program is to be published by the end of 2023).

Finally, law 4990/2022 **transposed Directive 2019/1937 into Greek legislation**. The Directive complements the existing legal framework and fills the legislative gap that existed until now. The National Transparency Authority's online platform and the secondary legislation currently being developed provide private and public sector employees with the opportunity to safely and anonymously report any illegal conduct or practices within their organisations that damage corporate reputation and cause direct or indirect financial losses, without fear of reprisals.

In the field of anti-corruption, the Ministry of Interior in cooperation with NTA has determined a regulatory framework for the communication of the State institutions with representatives of interests in Greece, with the intention of **enhancing transparency and integrity** in the exercise of their duties. Furthermore, a robust framework has been established to **regulate gifts and other benefits** offered to the President of the Republic, members of the Government, and Deputy Ministers. All relevant ministerial decisions have already been issued, including those that establish the terms, conditions, and registration details in the Transparency Register for unions, professional associations, etc., define the procedure for submitting, examining reports and imposing sanctions, specify the details for the preparation of a Code of Conduct for Interest Representatives, establish the institutional bodies and the sanctions to be imposed in case of obligations breach and address issues related to the operation of the Transparency Register. A series of provisions regarding political appointees are included under the new law "Goal-setting, Evaluation and Reward System for enhancing the efficiency of the Public Administration" (I.4940/2022), to further safeguard transparency and accountability in their regime and access of citizens to information.

Through the reform of Greece's Economic Diplomacy, the Ministry of Foreign Affairs was put in charge of the whole economic diplomacy network, including Enterprise Greece, since July 2019. This way a single, coherent structure was created gathering all units responsible for economic extroversion under the same roof. In this context, **Enterprise Greece undertook a series of reforms targeted at its internal restructuring**. Further details regarding this reform are provided within the framework of the challenge "Promote private investment to foster the economic recovery".

**The reform of Export Credit Greece (ECG)** that took place in March 2022 was implemented in order for it to adapt to the fast-changing global trade finance environment. More specifically, the new structure covers not only the insurance, guarantee and financing of short-term, medium term and long-term export credits and all kinds of transactions related to the export activity, but also intends to provide further financial tools for the development of the country's exporting sector, and especially the small and medium-sized enterprises. Further details regarding this reform are provided within the framework of the challenge "Promote private investment to foster the economic recovery".

The **Technical Support for the Reform of the MFA** project aims to assist change management within the Ministry of Foreign Affairs and more specifically with the implementation of reforms introduced by the new organisational structure of the Ministry. Deliverables regard the review of the Directorate of Strategic and Operational planning, design support for both the Center for Foreign Policy Planning, and the Hellenic Aid Directorate General, and finally the development of the MFA's HR Management System. Analysis and recommendations have progressed considerably in the last 12 months and will be submitted in their final form in Q2 2023.

In addition to the aforementioned actions, one of the main goals of the Deputy Ministry of Sports is fighting match fixing and corruption. In the field of match fixing, **a comprehensive mechanism of report evaluation, named EPATHLA, has been launched**. EPATHLA operates with the cooperation of many governmental bodies and the sports prosecutor. In the field of corruption during 2022, provisions that obligate the Sports Federations to create and launch the **Codes of Integrity for the sports clubs** were adopted. At the same time, new positions like **the official sports advocate has been legally established**, in order to assist the victims to report violent incidents in the field of sports. The Deputy Ministry also launched many campaigns in social media, in order to inform and raise awareness of the society, while a new campaign will take place in 2023. Until Q2 2024, the Codes of Integrity will be published by the Federations, in order to be implemented by the sports clubs. The main goal is also for the Sports Advocate to be operationally ready to assist the Deputy Ministry, as well as to be available for the victims of violent incidents. In the field of match fixing a goal of 30% increase of the finished reports evaluation by EPATHLA is set.

Moreover, there is an action for **creating a better business environment in the tourism sector**, by providing greater legal and economic certainty for consumers and businesses, which is in progress. The action includes: (i) the establishment of a Guarantee Fund for Travel Agencies to financially safeguard businesses and protect travellers in the event of emergencies, such as insolvency, cancellations, etc. and (ii) the establishment of a Chamber of Tourism. As far as the project of the establishment of a Guarantee Fund for Travel Agencies is concerned, a working group was formed in 2022 to evaluate the best

practices of other countries and prepare a report & alternatives for the creation of a Greek Travel Guarantee Fund. In this context, it was agreed that there would be an exchange of views to record the existing situation, taking into account the amendment of the Directive (EU) 2015/2302 on package travel and linked travel arrangements, which is expected to be completed by June 2023. Next steps by the end of 2023 include: i) elaboration and adoption of legal framework on the establishment of a Guarantee Fund for Travel Agencies and ii) elaboration and adoption of legal framework on the establishment of a Chamber of Tourism which will incorporate all Greek tourism businesses, except for hotels (the Hellenic Chamber of Hotels has been operating since 1935 as a Legal Entity of Public Law). This action favours the functioning of the EU Single Market, given that it supports entrepreneurship, creates a better business environment in the tourism sector and therefore serves the movement of workers and businesses.

## **4. Progress towards UN Sustainable Development Goals (SDGs)**

### **4.1. Sustainability progress overview**

According to the country's overview presented in the report "Sustainable development in the European Union — Monitoring report on progress towards the SDGs in an EU context (2022 edition)" Greece, for the third consecutive year, despite the repercussions of the Covid-19 pandemic, the latest global economic and energy instability deriving from the Russian invasion of Ukraine as well as the national 10-year economic crisis that preceded, is still among the few Member States (5 in 2022) that were reported to not have dissociate from any of the measured SDGs.

Although Greece's sustainable development performance is generally below the EU average, it has shown significant improvement, as compared with 2021, in the SDGs 2, 7 and 10, where in 2022 it exceeded the EU average, as well as in SDG12 where it reached that average. Even among the SDGs in which the country needs to catch up, relative positive progress has been made regarding Goals 1,5,9,8 and 16 albeit at still lower levels than the respective EU averages. Nevertheless, more emphasis will be needed on SDGs 3,4,11 and 13 in which there was relative regression in 2022.

### **4.2. Governance for Sustainability**

Greece attributes particular importance to integrating the principles and targets of sustainable development in governance, the regulation framework, state budget and key financial instruments.

Following the comprehensive drafting of the country's second Voluntary National Report on UN SDGs (2022), which was the result of three distinct cycles of government, stakeholder and public consultations, the General Secretariat of Coordination (GSCO), is now examining certain structural initiatives and reforms regarding Sustainable Development which may include a better delimitation of competencies, design of a permanent networking and dialogue mechanism with stakeholders and drafting of a National Sustainability Strategic Plan.

The country places particular emphasis on integrating key aspects of sustainability, including the social, economic, environmental and institutional dimensions, into regulatory governance and law-making process. Within this framework, the General Secretariat for Legal and Parliamentary Affairs drafted and published in 2020, a new comprehensive and redesigned Manual and Template on Regulatory Impact Assessment (RIA), accompanying all draft laws and secondary legislation of major economic or social importance. The new RIA addresses, inter alia, the potential multiple impacts of the proposed regulatory measures within the context of six broad legislative thematic areas closely related to the Sustainable Development Goals (SDGs), including: i) education-culture, ii) defense and foreign policy, iii) economic, fiscal and tax policy, iv) social policy, v) public administration, public order and justice, and vi) development-investment activity. For the first time, the RIA systematically and coherently incorporates the SDGs into regulatory policy and governance. The government has also developed a digital platform for document and process management, specifically for conducting regulatory impact assessments. Over a hundred public servants have been trained to use it. Within 2023 the electronic platform is expected to be used for the completion of the impact assessment of primary legislation before submission to Parliament. In addition, a forthcoming Manual and Template on Ex-post Evaluation of Legislation, will examine the extent to which existing legislation contributes to achieving the SDGs, at national and international level, and promoting policy coherence for sustainable development.

An important forthcoming reform (RRF) is the one for Multi-level Governance that applies to all entities within the general government, all legal entities of public law and all legal entities of private law as well as public enterprises and organisations. It has been enacted by the Ministry of Interior and aims at the rationalisation of responsibility allocation and overlap avoidance between the various institutions. The ministerial decision already issued specifies the methodology and guidelines for the allocation and transfer of responsibilities to entities.

#### **4.3. Economy and sustainability**

The Greek government has implemented a series of reforms and investments aimed at increasing economic growth and achieving sustainable development goals. In 2022, GAO continued with the formulation of a basic methodology for green budget tagging and the pilot implementation in selected performance budget programs. As regards environmental balance, in the 2023 budget, the tagging of the Programs of the Ministries of Environment & Energy and Agricultural Development & Food was presented taking into account the environmental dimension. The actions included in the Programs are evaluated in terms of their positive, negative or neutral contribution to each of the six sustainable development objectives defined by the European classification.

In terms of economic growth, the government has introduced wide-ranging reforms and investments to improve tax administration, simplify the tax regulatory framework, combat tax evasion, and ensure transparency. Forward-looking measures which will combat tax evasion, reduce the administrative burden and ensure transparency, thus facilitating economic growth and investment include the codification and simplification of the tax legislation spearheaded through the digital transformation of a) the tax administration and b) the tax audits. These measures are expected to increase revenue

collection, strengthen tax compliance and foster tax fairness and equality. Innovative measures were the interconnection of cash registers and points of sale (POS) terminals with the tax authorities, as well as the new framework for combating smuggling. In addition, tax incentives for super-deduction of expenses are being implemented to support investment by small and medium-sized enterprises in the green economy, energy, and digitization. Sustainable public procurement practices are also part of the reform agenda, including the Group procurement initiative by Hellenic Cooperation of Assets and Participations (HCAP) and the implementation of the National Centralized Health Procurement Authority.

The government has also implemented a bundle of investments and reforms in the banking and financial sector to enhance and safeguard the financial system. Apart from RRF reforms, the improvement of the legal framework regarding insolvency facilitates households and businesses to settle debts, while the Sale and Leaseback Organization is under development in order to protect vulnerable debtors' primary residence from enforcement actions. Finally, to complement positive implications for private debt in the long term, the completion of the National Strategy of Financial Literacy will provide necessary knowledge to the general public in Greece about effective financial decisions and innovative financial services, supporting financial stability and reducing the risk of over-indebtedness.

Furthermore, legal certainty and transparency for investors and business operations are being reinforced through the enhancement of the state aid institutional and digital capacity. Accordingly, the Ease of Doing Business reform aims to improve the business environment through 20 sub-projects, including the creation of a Register of Security in movable assets, the development of an electronic application for the transfer of properties and the interconnection of the Electronic Construction Permit Issuance system with other public entities' IT systems.

Finally, the new Strategy for Trade Facilitation is expected to present new measures on boosting exports by streamlining procedures and facilitating cross-border trade for companies operating in Greece. Thereby the Trade Facilitation Roadmap for the period 2022-2026, unanimously approved by the Governmental Trade Facilitation Committee, is structured around four main axes: institutional governance of trade facilitation, simplification and digitization of pre-customs procedures, implementation of the digital single window for external trade and enhancement of Greece's connectivity with neighbouring countries.

Overall, the Greek government's reform agenda is aimed at achieving sustainable economic recovery and development, while also addressing challenges in the country's tax system, financial sector, and business environment. The implementation of these initiatives is expected to increase revenue, foster tax fairness and equality, support investment in a sustainable manner, while enhancing the country's competitiveness in the global economy.

#### **4.4. Social cohesion**

The Greek government has recently adopted a series of reforms aimed at achieving greater equality, social development, and cohesion. The reforms focus on addressing chronic issues such as

unemployment, gender inequality, and low integration of vulnerable groups. Active and passive labour market policies have been redesigned to provide incentives for individuals actively seeking employment, with a focus on upskilling and reskilling the workforce, particularly in dynamic economic sectors. A strategy for lifelong skilling has been implemented, based on a new diagnostic mechanism for labour market needs and a quality assurance framework for upskilling. This includes the development of an interactive tool for skills intelligence, business surveys on green and digital skill needs, econometric skills forecasts, and the coordination of Regional Mechanisms of Labour Market Diagnosis.

The national employment service will be reorganized to provide more individualized services to the unemployed, and the labour market is going through extensive reform regarding individual and collective labour relations and workplace conditions. The gender employment gap and low female employment rates are also being addressed, with measures designed to provide quality and accessible childcare and support for parents, particularly mothers, to retain their work positions (see observation below).

Education also plays a significant role in the reforms, with primary and secondary education being redesigned to implement quality criteria and vocational education and training (VET) being upgraded to provide the labour market with a highly skilled workforce in sectors of high demand. The overall VET framework aims to make VET an appealing educational pathway by improving its connection with labour market needs and boosting productivity while reducing unemployment.

The reform of higher education also aims to enhance the quality of Greek universities and strengthen their studies' relevance to the job market. A significant set of measures will be undertaken to support vulnerable groups such as migrants, refugees, Roma population, and people with disabilities and ensure their integration into socioeconomic life. In the context of the Action "Promote integration of the refugee population into the labour market," vocational education and training are provided to third-country nationals, with a focus on enhancing their access to the labour market in various sectors.

Overall, many reforms aim to achieve greater equality, social development, and cohesion by addressing chronic issues such as unemployment, gender inequality, and the need for integration of vulnerable groups. The reforms focus on upskilling and reskilling the workforce, providing quality and accessible childcare, and upgrading primary, secondary, and vocational education to provide the labour market with a highly skilled workforce in sectors of high demand.

#### **4.5. Quality of Justice**

In the justice sector, a comprehensive reform plan aiming at addressing its chronic challenges of efficiency, effectiveness and quality is under implementation. The plan promotes equal access to justice for all. Key structural reforms (RRF) such as the projected revision of the judicial map across the country will result in a more efficient organization of judicial districts based on objective criteria, leading to a faster administration of justice. A recent law for administrative courts aims to fully rationalise their organisation. In addition, judicial police is a reform aiming to support the work of



judges and prosecutors via the conduct of preliminary examination & inquiry and investigative acts by specialized personnel with high legal training and experience in drafting technical reports. Moreover, continuous training for judges will enhance their knowledge and proficiency in new technologies, specifically information technology, artificial intelligence, and electronic systems. The National School of Judges has been assigned with the selection, education and training of the judicial clerks based on the judiciary's needs. The future judicial clerks will have the necessary knowledge and skills to perform their duties effectively.

To increase the efficiency of the justice system, a gradual upgrade and expansion of the Information Systems within the Justice Sector is underway including projects such as the Uniform System of Wills and the E-filing for civil, criminal and administrative justice. This development is expected to be particularly beneficial to citizens, lawyers and officials. A complementary project is the upgrading of the integrated case management system which is funded by the NSRF, and is expected to be completed in 2025. Moreover, awarding the tender for the digitisation of court documents is expected in Q2 2023. Importantly, the Office for the Collection and Processing of Judicial Statistics is now operational and its Business Intelligence System is expected to be functional by the end of 2023.

#### **4.6. Health access and system resilience**

The Greek government is implementing a comprehensive structural reform of the healthcare system in the country. One of the main priorities is to ensure equitable access to healthcare for all citizens and to minimize the rate of unmet needs. To achieve this goal, the government is centralizing procurements and implementing the Diagnosis Related Groups-DRG system in hospitals to rationalize hospital budgeting. It is also upgrading infrastructure and equipment in hospitals and primary healthcare facilities, as well as upskilling personnel. In addition, the government has rolled out a primary health care reform that establishes a comprehensive primary healthcare system and introduces family doctors as the patient's first point of contact with the National Health System. The Greek government is also focusing on long-term treatment, introducing Hospital at Home, reinforcing social welfare institutions, and introducing chronic disease management in primary healthcare. Furthermore, the focus is shifting from treatment to prevention of diseases through extensive screening for all the population, combating environmental and behavioral factors that affect mortality and implementing the National Prevention Program "Spyros Doxiadis." Notably, the program aims to detect common Non-Communicable Diseases (NCDs) early and promote physical exercise and healthy nutrition while addressing alcohol abuse (see more in observation below).

#### **4.7. Main forward-looking measures for SDG-related country-specific observations**

The National Recovery and Resilience Plan is being successfully implemented and is considered to be a key accelerator of the country's performance towards the SDGs through its reforms and investment actions, inextricably linked to the core priorities and objectives of the 17 Goals. Combined with the EU cohesion policy funds and the National Reform Programme they provide major leverage for the transformation of the country's economic and social model. Within and beyond the RRP framework, the

Greek authorities are addressing **SDG-related** gaps & challenges identified and recommendations included in the *Commission staff working document - 2022 Country Report for Greece*, with the following forward looking measures:

**1. Safeguard the efficiency of the public administration by ensuring it can attract the right skills and maintain its costs at pre-pandemic levels**

As covered in detail in Section 3, the Greek authorities implement a major project of upskilling / reskilling for 250.000 public employees, aiming to transform the skills of senior and new-entry civil servants. It includes personalized training needs assessment per staff category and specialty, a digital educational platform, analysis of the skills of the existing staff in order to identify its strengths and weaknesses through the development of 30 training modules as well as an update of the Specific Job Descriptions. Furthermore, the Ministry of Interior in cooperation with the National Center for Public Administration and Local Government along with Microsoft, has implemented civil servants' training programs which aim to develop basic and specialised digital skills in cloud technologies. Microsoft has been authorised to develop a tool in order to assess and cover all employees' digital needs. The forthcoming "Human Resources Workforce Planning Tool", incorporates AI features, enabling entities to foresee the number and skill sets required for human resources in the long term. The establishment of the Human Resources Development Advisor has been introduced in order to support the innovative approach which aims to transform Public Administration human capital's skill. The Greek Government is also engaged in revising the selection system of civil servants for leadership positions. Furthermore, the Independent Authority for Public Revenue is progressing with a comprehensive human resources reform expected to substantially upgrade IAPR's overall human resources and the new staff will contribute to a significant increase of the efficiency and the effectiveness of the Authority.

**2. Enhance the efficiency of health care spending including by completing the roll-out of the primary health care system with adequate staffing to ensure full population coverage**

Greece is implementing a comprehensive healthcare reform program aimed at modernizing the healthcare system, increasing efficiency, and improving access to health services for all citizens, including vulnerable groups. The program focuses on several key areas, including the roll-out of a primary healthcare system, mental health, public health, hospital infrastructure, pharmaceutical expenditure, hospital care, palliative care, maternity care, and long-term care. The cornerstone of the primary healthcare system is the introduction of the family doctor as the patient's first point of contact with the National Health System where significant progress has been made with the enrollment of doctors and patients. In the first quarter of the institution's operation, 3,400 doctors and 4,700,000 citizens (50% of the beneficiary population) have joined the scheme. A new website has been launched for the enrollment of doctors, the registration of patients and the appointment system and with the support of RRF an upgrade of the Primary health care (PHC) network is ongoing, in terms of infrastructure, equipment and personnel. Within 2023, contracts are expected to be signed for all upgrades. Moreover, a unified organisation and management model for the PHC units will be legislated and incentives will be introduced for health professionals to staff health facilities in rural or remote

areas, in order to address the problem of shortage of health personnel in these regions, thus ensuring equal access to health facilities for all citizens of the country.

Furthermore, new local health units (TOMYs) are expected to become operational in 2023, as the procedures for the staffing have recently concluded. A number of important policies complement the effort. The National Health Prevention Strategy Programme "Spyros Doxiadis" aims to prevent and detect diseases through population screening and promotion of healthy lifestyles. As an example, in the first quarter of the breast cancer screening program about 7,000 women were early detected and referred to further clinical assessment and investigation of findings. Greece is also prioritizing mental health by establishing community-based services systems and promoting early intervention. Significant investments are being made in hospital infrastructure, and a comprehensive pharmaceutical expenditure reform is being implemented. The Negotiating Committee concluded sealed transactions of €920 million with estimated discounts and benefits for the public sector of more than €400 million. In addition to the above, a systematic attempt to reduce healthcare costs, the Diagnosis-related group (DRG) system has already been implemented in 28 hospitals across the country. At the same time, central procurements have reached the target of 40%. Additionally, Greece is introducing new frameworks for palliative care and maternity care, and developing a National Strategy for Long-Term Care.

The country is also working towards improving access to healthcare. "Prevention at Home" facilitates medical examinations at home for vulnerable inhabitants of remote areas as well as the automated dispatch of the results to contracted practitioners.

For refugees and legally residing migrants, Greece has adopted free health care policies with the aim to reduce the financial barriers, where free access to primary, secondary and tertiary health care is guaranteed, even if they are unemployed. As regards asylum seekers and unaccompanied minors, Greece is implementing a legislative initiative, the Temporary Social Security Number (PAAYPA) specifically aimed at applicants for refugee status in order to ensure full and free access both to healthcare and social insurance.

Finally, Greece is implementing a digital transformation of the healthcare system, including digital patient health records and telemedicine, to improve access to health services for uninsured citizens and vulnerable groups.

### **3. Complete the cadastre project by completing the cadastral mapping and the forest maps**

By the end of 2023, 80% - 90% of total property rights of the country is expected to be passed through the procedure of public display. Currently, 12 out of the 17 Cadastre Offices and 48 out of the 75 Branches are in operation. Therefore, 60 out of the total 92 premises are already open (65%). Today the permanent staff amounts to 868 persons (82% of total). Additionally, 46 persons will be hired and 170 new positions have been approved. Finally the call for 27 heads of Cadastral Offices and Branches is almost completed.

Regarding the forest maps, more than 95% of the country has been covered and 90% is already finalized. During the last year, numerous rectifications were made to the forest maps, in order to comply with recent adjustments in national forest legislation. By the end of Q2 2023 more than 100,000, of around 400.000 in total, objections and corrections on the forest maps are going to be ruled by designated committees.

#### **4. Ensure effective labour market activation support with a particular focus on young people and women, and further enhancing social policies, so as to contribute to the 2030 EU headline targets on employment and poverty reduction**

Greece's unemployment rate has dropped to 11.4% in February 2023 compared to 18.5% in February 2019, but the government remains committed to further reducing unemployment, especially among women, youth, and the long-term unemployed. To achieve this goal, the government is pursuing a comprehensive reform agenda to boost employment and modernize the labour market, which includes reforming and enhancing both active and passive labor market policies.

In this regard, the Passive Labour Market Policies (PLMP) reform aims to modernize and rationalize the current unemployment benefit and allowance system, remove legal disincentives for upskilling/reskilling, and introduce tools such as the Digital Action Plan for the unemployed to make the system more effective. The reform includes pilot projects to test the expansion of the social protection net for jobseekers and promote a fairer distribution of unemployment benefits. The Active Labour Market Policies (ALMP) reform maximizes the effectiveness of ALMP interventions by redesigning and strengthening the ALMP toolbox, providing younger unemployed persons with valuable work experience, and enhancing counseling capacity. The program aims to reduce labour market segmentation, upskill and reskill the labour force, increase labour market participation, and strengthen the links between education, training, and the labour market.

The Open Program of 100,000 new supported jobs (increased by 50,000 new jobs, since January 2022) subsidized all social security contributions (for both employers and employees) for six months. The total entries to the program as of March 2023 were 153,818, out of which 2,016 were simultaneously enrolled in "PROTO ENSIMO" (a program facilitating the first entry of persons aged 18-29 into the labour market by providing six months of subsidies to both employers and employees). Between April 1st, 2022, and December 31st, 2022, 25,779 individuals were hired through the program, and as of March 1st, 2023, 3,781 persons were still employed in companies that hired them through the program. The number of young persons aged 18-29 who were hired through "PROTO ENSIMO" from 01.01.2022 until 31.12.2022, count to 7,482 young persons. On 01.03.2023 there were 1,472 young persons (out of the 7,482 entries) who were still employed in the companies that hired them through the programme.

Several sub-projects are in the implementation phase, such as a targeted employment program for critical long-term unemployment areas, a targeted employment program for special populations with high barriers to labor market re-entry, a short-term work experience program for younger unemployed

workers, and more. Additionally, the Individual Skills Account serves as a digital record of an individual's acquired certifications and subsidized training for eligible continuing vocational training providers. The government's measures also include a program that provides incentives to private sector companies for converting part-time contracts to full-time, upskilling and reskilling of human resources in the tourism industry, and a program for the social reintegration of the most vulnerable groups. These measures aim to create new jobs, increase labour market participation, reduce unemployment, and promote a fairer distribution of benefits.

## **5. Reduce dependence on fossil fuels by:**

### **a) Reducing overall fossil fuel use and accelerating the deployment of renewable energy, including development of hydrogen infrastructure, thereby supporting the de-carbonisation of the Greek economy and reaching national targets**

The formulation of the RePower EU chapter (RRP) includes additional projects and reforms for de-carbonising the economy with a total public expenditure of 795.6 M€. The program is under preparation and expected to be finalized within 2023. The investment "Produc-E Green" contributes to the same objectives, with the establishment of production capacity in products and services that promote the green economy and innovation, as well as the capture and storage of CO<sub>2</sub> emissions. The investment includes two sub-projects, one of which is the funding of industrial production units in the green economy sector, while the other is the development of the first CO<sub>2</sub> storage facility in Greece. The project aims to strengthen the industrial production capacity of the country in green economy-related products and focuses on the application of carbon capture, utilization, and storage (CCUS) technologies. The development of the CO<sub>2</sub> storage facility is being proposed for Prinos in Kavala and is expected to reduce significant emissions and introduce CO<sub>2</sub> capture for heavy emitters and hard-to-abate sectors. The project's milestones include the issuance of a CO<sub>2</sub> Storage License by Q2 2024 and the operation of the site by Q4 2025. Several important reforms include the development of a National Program on Offshore Wind Development to increase renewable energy deployment and the introduction of biomethane in the energy system, with the formulation of the legislative and regulatory framework including support mechanisms, scheduled for completion within 2023.

Furthermore, the Greek government is committed to improving energy efficiency and promoting sustainable transportation, including electric and autonomous vehicles, as well as cycling infrastructure. Under the "Electromobility" program, the government is investing in replacing old buses and taxis with new electric ones and supporting the development of charging infrastructure. The "Green Taxis" and "Charge Everywhere" subsidy schemes aim to replace up to 2,000 old taxis with electric ones and establish 8,000 publicly accessible charging points across the country. Additionally, the government plans to purchase 250 electric buses to replace old conventional ones, and to transpose the Regulation for urban and interurban bus public transportation, which contributes to the Sustainable Development Goal for sustainable cities and communities.

Likewise the Greek government is investing in sustainable public transportation, such as the construction of Line 4 of the Athens Metro and the Thessaloniki Metro, with a total cost of EUR 1.2 billion and EUR 2.5 billion respectively. The government is also working on six major railway projects to strengthen and improve the country's railway network and establish safe and efficient connections with major ports.

Furthermore, Greece has launched the "Move Electrically" subsidy scheme to promote electromobility and reduce gas emissions. The scheme offers subsidies for the purchase or lease of electric bicycles, motorcycles, passenger cars, vans, and smart home chargers. The government has also launched the "Contribution of Autonomous Cars" project to accelerate the development of new mobility concepts for passengers by deploying and integrating autonomous vehicles into the transportation chain, aiming to set Greece as a pioneer country in this field and contribute actively to the European CCAM and 2Zero roadmap for 2050.

In addition the Greek government is committed to growing cycling's modal share at the national level and with that end in view has published the "Guide of Public Policy for Cycling" to establish guidelines, pillars, and principles for promoting cycling. The forthcoming National Action Plan on Cycling aims to improve cycling infrastructure in accordance with the law of the Ministry of Transport for Sustainable Urban Mobility Plans. Moreover Greece has joined the Eurovelo Network and established a Eurovelo National Coordination Center to plan national cycling routes connecting European cycling routes to Greek islands.

In summary, the Greek government's initiatives aim to promote sustainable transportation, including electric and autonomous vehicles and cycling infrastructure, and improve energy efficiency and public transportation. The government's efforts align with the Sustainable Development Goals and contribute to building sustainable cities and communities, affordable and clean energy, and industry, innovation, and infrastructure.

#### **b) Ensuring sufficient capacity of electricity and gas interconnections and diversifying energy supply routes**

Important energy projects and initiatives are being developed in Greece. The first set of projects is related to the interconnection of islands with the mainland system with the aim to decarbonize the islands' energy system and optimize renewable energy sources (RES) production and consumption. These projects are being implemented by the Hellenic Transmission System Operation Performance (HPTSO). The Maritsa-Nea Santa Greek-Bulgarian interconnection project is also under construction and expected to be completed by mid-Q4 2023. Additionally, the EuroAsia Interconnector project, which will enable bi-directional electricity transmission between Israel, Cyprus, and Crete, is included in the European Projects of Common Interest (PCI) list and has secured EU funding. The first cable interconnection is planned to be completed by the end of 2027. Adding to this a feasibility study is conducted for a similar electricity interconnection project between Greece and Egypt, the "GREGY" project. Natural gas interconnection projects include the Interconnector Greece-Bulgaria and the

Interconnector Greece-North Macedonia, which is scheduled to be completed by the end of 2025. Two emblematic projects are being developed to achieve energy supply diversification and security, namely the Alexandroupolis Floating Storage and Regasification Unit (FSRU) and the Dioryga Gas Floating Storage Regasification Unit (FSRU). Both projects are co-financed by the National Strategic Reference Framework (NSRF 2014-2020) and scheduled to be completed by the end of 2025. There are also energy exploration projects being developed in the East Mediterranean to diversify gas supplies in Greece and the EU. Moreover, energy efficiency initiatives include a program of energy savings in public buildings, which aims to reduce energy consumption in public buildings and energy infrastructures by 10% compared to 2019. The Energy Efficiency Auctions is a new financial mechanism targeting buildings in the tertiary sector, which is scheduled to be launched in the Q4 of 2023.

**c) Strengthening the energy services market framework and stepping up delivery on energy efficiency-enhancing measures**

Greece is investing in several projects to enhance renewable energy system (RES) penetration and improve energy efficiency. One significant investment is the support of the installation of storage systems to enhance RES penetration, which aims to install up to 1,380 MW capacity of energy storage, 50% of which will come from Amfilochia Pumped hydro storage (PHS). The program will allow the system integration of new RES capacity required for the achievement of national energy and climate plans (NECP targets) and will also alleviate network congestion, increase the flexibility of the electricity system and liquidity of the balancing market, enhance system adequacy, enable energy efficiency, and promote electricity price transparency formation. The required legislation for the incorporation of the approved support scheme was voted in July 2022, and around 900 MW of storage capacity will be tendered by the end of 2023.

Accordingly, the energy renovation on residential buildings project (EXOIKONOMO) will finance renovations related to energy efficiency, including actions for energy-saving and smart technology adoption, with financial support for energy-poor households. Under the “EXOIKONOMO” frame, incentives are being provided for energy-saving interventions in the domestic building sector, aiming to reduce energy needs and the consumption of conventional fuels, with a goal of renovating 105,000 households by Q4 2025. Another program for households and farmers will accelerate the green transition by enhancing the production of clean, renewable energy and achieving a more resilient energy system. The goal is to establish a suitable subsidy scheme for households to implement a photovoltaic system on their rooftops, along with a battery system. The program is expected to launch in the coming period. The “PHOTOVOLTAIKA STI STEGI” investment program aims to promote innovation in the domestic construction and manufacturing industry, enhance the production of clean energy, save energy at the level of households, and boost energy efficiency. The program will provide direct grants to households, and it is fully compliant with the goals of the REPower EU plan. It is expected to launch by the end of 2023, with the next target being the evaluation of all applications and the electrification of PVs by the end of 2025. For energy-poor households, the proposed reform corresponds to a specific subsidy program for Energy Communities of Municipalities to install a photovoltaic power station to cover the annual energy needs of these households. The proposed reform

aims to improve the energy efficiency of energy-poor and vulnerable households and reduce energy poverty by 50% by 2025 and by 75% by 2030.

Lastly, the integration of the regional electricity spot market is expected to be strengthened by the inclusion of the Greek Bidding Zone in the Pan-European Intraday Auctions. Testing activities are scheduled in Q3 and Q4 of 2023, aiming at a Pan-European go-live of the IDAs by Q2 2024. Greece is also working on introducing 15-minute products in the Day-Ahead Market at the national and EU level and is designing and implementing works for this. Additionally, Greece is preparing an integrated information system for RES, which will offer a single interface for all authorizations, accelerating and improving the transparency of the licensing process, and improving the monitoring of RES development. The IT system is scheduled for completion in Q1 2024. Overall, these investments will help Greece achieve its goals of boosting renewable energy and energy efficiency and transitioning to a more sustainable energy system.

## **6. Reduce the share of young people that are not in employment, education or training**

The issue - to a great extent connected with high youth unemployment rates- is a persisting one for Greece. In the last years efforts to tackle it have been more systematic, expanding both their scope and pool of beneficiaries to more vulnerable sub-groups. Interventions are being promoted on both institutional and project implementation levels. An emphasis on Active Labour Policies and individualized support is now combined with an attempt to make vocational training more attractive for the unemployed youth and oriented to development and growth, including digital and green skills. Its overall quality is being enhanced with significant investment in infrastructure and new curricula.

Several sub-projects are already being implemented, including counseling and training connected to dynamic sectors of the Greek economy. New projects include (i) Integrated Vocational Development and Labour Market Integration Intervention for young people up to 29 years old, (ii) Integrated Intervention for the Support of Young People aged 18-29, in the framework of the Action Plan "Youth Guarantee", (iii) Counseling, Training and Certification of unemployed 18-29 year olds in specialties of the retail sector, (iv) Integrated Intervention for professional empowerment and labour market integration in the Development of Digital Skills in Culture for unemployed young people aged 18-29 years old and (v) Attica Electrical Equipment Manufacturing project, co-funded by the European Globalisation Adjustment Fund 2021-2027. There is also a short-term work experience program for younger unemployed workers (ages 18-30) that will provide fully subsidized 7-month paid internships in the private sector for 10,000 younger unemployed workers up to 30 years of age, who need hands-on experience to become more employable in the labour market. Additional projects are scheduled to launch in Q2 2023: As an example the first targets 15,000 unemployed individuals aged 25-45, offering a comprehensive package that includes upskilling and reskilling activities, as well as a short-term employment subsidy.

Lastly Greece is also taking significant steps to address the challenge of integrating third-country nationals and recognized refugees into the labor market and society. Furthermore the statistics show that third country nationals in Greece are in their majority young people. To this regard the National Strategy for Integration, the "tailor made" projects of Manpower Employment Organization, the Migrant Integration Centers, and the HELIOS integration program are among the initiatives being implemented



to provide access to the labor market and overall integration into Greek society. The above mentioned initiatives offer non-formal adult education to third-country nationals, including language and social skills courses, and vocational skills development for low-skilled and low-qualified adults. The Ministry of Migration and Asylum, in cooperation with UNICEF and the Ministry of Education and Religious Affairs, has launched the project "All Children in Education" to enable migrant and refugee children to continue their education and smoothly integrate into the Greek school system. Several new initiatives have been approved and will be implemented in the coming period, focusing on the facilitation of direct access to the labor market, employability, and entrepreneurship for refugees and migrants. The most essential is the RRF project aiming to promote integration of the refugee population into the labor market in 8 different sectors of the Greek economy.

### **7. Tackle the gender employment gap**

Various initiatives and reforms are aimed at promoting gender equality and increasing women's participation in the labor market in Greece. One of the key goals is to create a balance between professional and family life. Several key projects will roll out to achieve this goal, such as the creation of childcare units in 120 large companies, the implementation of the "Neighborhood Nannies" action, and the Subsidy Program for Early Childcare Centers. Additionally, the Public Employment Service (DYPA) aims to provide continuous and personalized support to jobseekers. In addition, the Diversity Awareness project, aims to raise awareness and increase understanding of inclusion and cultural diversity in the workplace. Likewise the Gender mainstreaming in public policy and budget processes initiative includes Gender Budgeting (GB) aiming to strengthen the capacity for gender-sensitive recovery by introducing technical proposals for Gender Impact Assessment (GIA) in central public policies and budgets.

Other initiatives aim to reduce the structural and cultural barriers faced by women, particularly those who are refugees or victims of gender-based or domestic violence. Additionally, Law 4997/2022 provides incentives to private sector companies for converting part-time contracts to full-time, while the "Reconciliation of family and professional life" program aims to provide hosting and accommodation services to infants, toddlers, children, and persons with disabilities to assist low-income families to keep their jobs on equal terms or enter the workforce.

### **8. Improve equality of access to social protection for non-standard forms of employment, particularly for the self-employed**

Greek authorities have adopted a variety of measures to increase the disposable income of specific categories of taxpayers and extenuate the tax burden on the self-employed. The permanent abolition of the special solidarity contribution, starting from 2023, will also achieve a redistributive impact. Also, greater fairness and economic efficiency has been achieved through the completion of the "ENFIA" property tax reform in 2022, which caused an additional 13% average tax reduction. Currently, the social protection framework is being reexamined and the plan is to extend the maternity benefit for the self-employed and farmers from 4 to 9 months as well as raise it so as to equate the minimum salary (instead of €150-€200 today).

## **9. Lower the share of population and especially children at risk of poverty or social exclusion**

Greece has been implementing a series of reforms aimed at social protection, inclusion, and poverty reduction, with a focus on vulnerable groups and areas affected by de-carbonisation. To this regard the Greek government has introduced significant measures to reduce the tax burden on specific categories of taxpayers and increase their disposable income. It is also addressing the issue of high housing costs through a cohesive housing policy that supports young people to access housing and combats homelessness for vulnerable groups while protecting their primary residence.

Accordingly, social housing is being re-established in Greece through a number of new programs, with the aim of supporting young couples and individuals aged between 25 to 39 years old. These programs include low-interest or interest-free loans for the acquisition of a first house for residence, private contractors erecting buildings on undeveloped public property, and utilizing previously used apartments for accommodating vulnerable people.

To this end, the Social Reintegration of the Most Vulnerable Groups program aims to help Guaranteed Minimum Income beneficiaries and homeless people reintegrate into the labor market through upskilling and employment programs. The Social Housing for the Most Vulnerable Groups program aims to provide housing support to vulnerable groups facing homelessness. The Housing and Work for the Homeless Program aims to provide rent subsidies for 24 months to 600 households or 800 beneficiaries by December 2023, along with other support services. The government is also simplifying access to social benefits and provision of information through the Single Digital Access Portal to Social Protection and Digital Transformation of the Social Solidarity Welfare Benefits Organization.

Furthermore, deinstitutionalization and independent living initiatives are being pursued through programs like the placement of minors with severe disability in the care of professional foster carers, transfer of adolescents from child protection units to supported independent living apartments, and long-term care reform for the aging population.

The government has also launched initiatives such as the National Strategy for Integration of Third Country Nationals legally residing in Greece, which facilitates access to the labor market and services, as well as the protection of economic, social, and cultural rights for vulnerable groups. The National Authority for the overall protection of accompanied minors has developed a National Strategy for the protection of unaccompanied minors, enforcing the termination of protective custody and increasing the long-term accommodation capacity by 60%. Likewise a mechanism has been launched which includes a 24/7 telephone hotline for identifying and tracing children in need that enables rapid identification of unaccompanied children who are homeless or living in insecure conditions, and provides them with safe and secure accommodation and support.

In conclusion, Greece is implementing various programs to provide social protection, reduce poverty, and support vulnerable groups. These initiatives aim to provide housing, employment, and upskilling opportunities, simplify access to social benefits, and promote independent living for minors and the aging population. Lastly it is important to note that in Greece access to healthcare is free regardless of the working status (even for the unemployed) and a Guaranteed Minimum Income is provided to people

with very low income legally residing in Greece. These efforts are aligned with several Sustainable Development Goals, including SDG 1 (No Poverty), SDG 8 (Decent Work and Economic Growth), SDG 10 (Reduced Inequalities), and SDG 11 (Sustainable Cities and Communities).

#### **10. Decrease regional development disparities**

The Greek Government has recently presented consolidated development plans for the regions in order to tackle disparities within and between regions and reinvigorate local economies. This significant investment that contains numerous projects for each prefecture, according to their specific needs, is complemented by the forthcoming RRF reform for multi-level governance which will rationalise the allocation of responsibilities between the levels of governance and address overlaps, as well as the enhanced fund distribution within the National Strategic Reference Framework 2021-2027 to the regions. In the same manner, special attention is paid to remote areas and islands, in order to minimize the sense of isolation and guarantee equal access of their inhabitants to rights, income, goods and opportunities.

An emblematic sustainable regional intervention that the Greek government is actively supporting is the Just Transition Program (JTP) which aims to address the social, economic, and environmental impacts of regions heavily dependent on fossil fuels or emission-intensive industries. The JTP is utilizing the EU's new Just Transition Mechanism (JTM) to support and assist the implementation of the de-carbonisation commitment in areas such as W. Macedonia, N. Aegean, S. Aegean, Crete, the municipalities of Megalopolis – Tripoli - Oichalia and Gortinia in the Peloponnese region. One of the measures under the JTP is the "Revitalization actions of the most affected territories (Just transition territories)" which covers the cost of rehabilitation works in old mine locations (Western Macedonia and Megalopolis). These restoration works will facilitate future investments and financial activities. Additionally, a Greek company for Just Development Transition called "METAVASI SA," has been established to be the new rightful owner and land developer of the transferred lignite areas. To this end, the JTP aims to promote entrepreneurship and address the socio-economic consequences of the transition through a targeted set of relevant actions under Priorities 1 and 4. Priority 1 prepares the right business environment, promotes the innovative transformation of existing businesses, and helps to attract new investments to diversify the productive model of the regions. Priority 4 aims to adapt human resources to skills and occupations related to new productive activities. Several calls for proposals have been launched and additional ones are expected to be launched by the end of Q4 2023.

In addition to the JTP, the Greek government is also implementing reforms to improve the urban ecosystem by modernizing the legal framework for urban policy. A relevant reform under the title "Establishment of new special spatial planning for RES, industry, tourism, and aquaculture" promotes climate mitigation and adaptation, protection of biodiversity, and development of the national economy by contributing to the increase of GDP and establishment of new job positions. Another reform is the "Establishment of new maritime spatial planning" for the implementation of maritime and coastal policy and the relevant planning systems. These reforms will contribute to the preservation of cultural heritage and the development of productive activities at both local and national levels, especially in sectors such

as renewable energy sources, the circular economy, and the construction of "green" materials, digital applications, and products.

### **11. Improve water management**

The Greek government is implementing several investments to improve the country's water infrastructure, reduce pollution, and address water supply challenges, especially during the summer months. These investments are expected to comply with ecological and technical standards and be completed by the end of 2024 or 2025.

One of these investments is the "Water Supply" Projects which entails water supply works in areas of Western Greece and the islands of Lesbos and Corfu. It is worth mentioning that in order to reduce adverse impacts on water and relevant habitats and species, all technically feasible and ecologically relevant mitigation measures shall be implemented. The tenders for works and equipment for the areas of Western Greece and the island of Lesbos were launched in November 2022, while the tender for the island of Corfu was launched within January 2023. It is estimated that the award procedure will have been completed by Q4 2023. In addition, the government is drafting the updated 3rd river basin management plans (RBMPs) that are expected to be ready for public consultation by Q2 2023 and finalized by Q4 2023. The government is also drawing flood hazard maps and flood risk maps, which are expected to be completed by the end of 2024.

Another crucial investment is the "New infrastructure - Urban Wastewater and Sludge Management Infrastructures from Wastewater Treatment," which aims to reduce pollution to the natural and human-made environment arising from wastewater treatment by constructing new and upgrading existing infrastructure. The investment consists of three sub-projects: the construction of 51 new sewage network infrastructures and wastewater treatment plants, upgrading, extension, and modernization of 15 wastewater treatment plants and reuse of treated water, and the construction of 19 sludge management infrastructures from wastewater treatment plants. The tenders for works and equipment for the three sub-projects will be launched by Q2 2023, and notification of the contract awards for all the aforementioned wastewater and sludge management projects should be completed by the end of Q4 2023.

In addition, the "Drinking water supply and saving infrastructure" investment consists of four sub-projects that aim to improve water treatment and water infrastructure to improve the quality of drinking water, ensure its availability through the reduction of leaks, and address challenges relating to public health and water supply infrastructure. Municipal authorities have already submitted their proposals, which are to be evaluated by the end of Q2 2023. Furthermore, the mandate of the independent regulatory authority for energy has been extended to include water, wastewater, and waste to address performance shortcomings of the water supply services, particularly regarding distribution leakages. This authority, in its new format since March 2023, is legally responsible for implementing the policies for the proper management of water resources. Staffing and equipment for this authority is the next step so that it can be functional by Q4 of 2023.

Lastly, the “Investments in the national irrigation network through PPP schemes” program aims to upgrade and modernize the national agri-environmental, land improvement, and remediation framework, and to reform the institutional, organizational, and operational framework of the collective irrigation networks. This program is essential as the Greek agriculture sector is the largest consumer of water, with 80-85% of the total consumption of water resources. The first two sub-projects have been approved for implementation via the public–private partnership (PPP) scheme, and four sub-projects have been procured, while two more will be procured in May 2023.

## **12. Advance circular economy**

With the aim to improve reuse and recycling in line with circular economy principles, as well as to meet the post-2020 target, the “single-use plastics (SUP) Law,” transposing the relevant EU directive, has set the national framework to reduce single-use plastics. As regards secondary legislation stemming from this law, the decision on the establishment of deposit-refund schemes (DRS) was issued in July 2022, while acts relating to (a) tobacco and related products and (b) fishing gears containing plastic, are to be published by Q4 2023.

Another important reform is the “Waste management law for the implementation of sustainable land filling and recycling and establishment of a waste management regulator” which includes a revision of the existing legislation with a view to enabling the transition towards increasing recycling and promoting a circular economy. In particular, the reform introduces incentives for municipalities to achieve higher recycling rates, enforces separate collection of metal, paper, glass and plastic and bio-waste, extends the “Producer’s responsibility” scheme, upgrades the operation of recycling sorting facilities and simplifies the legislation around green points. It shall support the achievement of targets of increasing reuse and recycling rates of municipal solid waste to 60% and reducing the landfill rate to 10% by 2030. The national waste regulatory authority that has recently been established will, inter alia, be responsible for ensuring the soundness of the pricing policy, supervision of waste management implementation across the country and the proper functioning of the regional and local waste management utilities. The implementation of the reform will be completed by 30 June 2023. Since Q2 2022, 10 calls for tender, regarding the construction of 6 Mechanical-Biological Waste Treatment Facilities (MBTs) and 4 Bio Waste Treatment Facilities (BTFs) respectively have been launched. Also, 9 illegal Landfills were shut down and restored. The next steps include the announcement of at least 11 calls for tender regarding the construction of 4 Recycling-Recovering Treatment Facilities (RRFs) and 7 Bio Waste Treatment Facilities (BTFs) respectively, as well as the upgrade of the existing MBTs facilities into RRFs, by Q2 2024. Furthermore, two specific programs for enabling Municipalities to acquire the required equipment for the collection of biowaste and some streams of recycling materials are planned. Lastly, a feasibility study for the creation of a network of Waste-to-Energy Plants is in progress and a Ministerial Decision for the construction of Waste-to-Energy Plants is scheduled to enter into force by the end of 2023.

## 5. EU funds

### Programming period 2021-2027

Greece was the first EU member state with an adopted Partnership Agreement (PA) for the programming period (PP) 2021-2027 (June 2021). During 2022, all sectoral and regional programmes (ESPA programmes) were approved and the first Monitoring Committees took place, indicating their activation/kick-off.

The total public expenditure of ESPA programmes comes to 26.2 billion euros. Most of them have already issued calls for proposals with a total budget (public expenditure) of 2 billion euros. Selected and approved operations in the programmes have a budget of 1.6 billion euros (public expenditure).

The payments come up to 140.4 million euros, and are linked to programme "Transport". Greece was also the first member state to submit payment application to the European Commission services on 22 December 2022 and received the Union Contribution (Cohesion Fund) of 113.4 million euros.

### Complementarities and Synergies between Partnership Agreement (PA) and Resilience and Recovery Fund (RRF)

#### Common and general mechanisms that ensure synergies and complementarity

The special services of the National Coordination Authority, as well as the involved special services within ESPA, such as Managing Authorities (MA) and Executive Bodies were rebuilt, in order to face the challenges of the new PP.

From the beginning of the new PP, the main concern was to ensure complementarity and synergies among the Funds, particularly between PA and RRF.

Therefore, proper guidance was provided by the National Coordination Authority (NCA), both during the planning phase of the programmes and their implementation.

To this end, during the planning, following a close cooperation with the competent service of RRF, a list of interventions and measures for both the PA and the RRF was drawn up with an important role in defining the intervention choices of the programmes under the guidance of NCA, regarding the synergies and complementarities between sectoral and regional programs of PA and the RRF.

Furthermore, new mechanisms were enacted at various levels of administration, which are expected to facilitate the implementation of interventions and the rational use of resources.

In the framework, of Law 4914/2021, a Monitoring and Coordination Council was established with the responsibility to coordinate the funds and to contribute to the complementarity and synergies, among the various interventions.

Moreover, within the NCA services a new special unit was established with the responsibility inter alia, to monitor and ensure complementarities and demarcation of interventions funded from the PA and the RRF.

Within each Ministry, the competent Executive body may be empowered to facilitate and coordinate the implementation and the monitoring of RRF's interventions and projects.

In addition, Law 4914/2022, provides the establishment of thematic networks. Under their responsibilities fall, inter alia, to discuss and develop coordination and cooperation issues among the programmes of PA and the RRF. A series of these thematic networks are established already and their first meeting took place.

At the implementation level, there are technical fiches of projects, indicating the main fields of intervention, according to the approved Control and Management System, which ensure complementarities, synergies and avoid the double funding of the actions.

The use of a common Integrated Information System for both the RRF and the 2021-2027 Programmes ensures the elimination of any double funding for the projects in the PA 2021-2027 and the RRF.

In addition to ESPA programmes, under the Connecting Europe Facility (CEF) and the Solidarity Fund are implemented and financed projects and interventions with the appropriate mechanisms in place, in order, to ensure complementarity and synergies and avoid the double funding.

On top of the above, the General Directorate for Strategy and Planning, NCA, Ministry of Development and Investment, will prepare a report identifying the complementarities between the PA and the RRF on an annual basis or earlier, if deemed necessary, in order to maximize synergies and ensure timely planning of Programmes priorities, with complementarities with the relevant components/measures of the RRF. This report will enable the MA to improve their planning taking into account the projects and results of RRF's actions. Moreover, that report will be notified and presented during the annual review meetings and the monitoring committees, ensuring that all stakeholders are informed.

#### Policy Objective (PO) 1: Promotion of innovation and smart financial transformation

The main type of interventions under PO1 of PA and its Programmes refers to innovation, improvement of productivity, competitiveness of various sectors of the economy, and digital transformation as well as in the RRF. Demarcation focuses on the diversifications of the calls for proposals, in relation with distinct cycles of time and of implementation.

Regarding digital transformation, priorities in the RRF promote reforms and investments in household and business broadband connections, expansion of new generation ultrafast networks, the technological and digital upgrading of enterprises and of digital competencies. In this domain, the priorities pursued by the RRF are aligned with those in the PA ensuring a high degree of complementarity and synergy. It is crucial to point out that the digital projects in the RRF are all well-defined, thus ensuring the total demarcation with those funded by the programmes of the PA.

The Cohesion Policy and the RRF will fund policies like the promotion of smart cities. The RRF will intervene only in the biggest cities while the sectoral programme "Digital Transformation" and the Regional Programmes can intervene in cities of all sizes.

The competent General Secretariat of Ministry of Digital Governance is responsible for monitoring the digital projects at national level, funded either by the Cohesion Policy, other EU instruments or national funds for ensuring that those interventions reflect and cover the real needs.

### Policy Objective 2: Promotion of clean and fair energy transition and the green and blue investments

Given the importance of the Green Deal, PO2 includes interventions that concern renewable energy, energy efficiency, risk management, water management and wastewater, solid waste, environmental protection, biodiversity, sustainable urban transport and circular economy. Most of those interventions apply in the RRF program as well, thus the demarcation derives from the definition and the description of the projects implemented under the RRF for private investments under the form of grants for increasing the energy efficiency to households and enterprises. Distinct cycles for calls of proposals and their scope assure their demarcation and through the mechanisms established in the NCA. Almost all projects in the NRRP are defined, therefore ensuring, complementarity and demarcation. Furthermore, each specific objective of PO2 falls under respective national strategy monitored by the responsible services within the competent Ministers.

### Policy Objective 3: Development of accessible high quality multimodal, smart and sustainable infrastructure and transport systems

PO3 promotes the development of modern, smart and sustainable transport infrastructure aiming to ensure the interface of passenger and cargo transport at national, regional and local level, the improvement of services and the enhancement of road safety. The priorities in the RRF are aligned with the priorities in the PA, targeting the same objectives.

Both the sectoral program (ERDF-CF) and the RRF include projects which are defined, thus ensuring both complementarity and differentiation of interventions.

The regional programmes will finance projects of a local nature such as road safety, ports, railways, which are included in the strategic plans, while complementarity between the programmes is ensured by using the available mechanisms mentioned above.

### Policy Objective 4: Investment in human potential and insurance equal access to quality services and goods

Both the 2021-2027 Programmes and RRF include interventions in the areas of employment, education and vocational training, health and care, and the provision of quality social services.

The RRF reforms and investments are directly linked to this PO, while its priorities and objectives are expected to support and complement the actions financed through the ESPA.

The demarcation of interventions between RRF and ESPA is ensured through both the application of the general mechanisms and cooperation and coordination between national authorities and the E.C., in particular, through the organization of working groups and meetings.

### Policy Objective 5: Promotion of sustainable and integrated development through local support initiatives

Integrated Territorial Instruments (ITI) Strategies will be funded through the Partnership Agreement and specifically, the Regional Programs

Through the RRF, integrated spatial planning at the local level is promoted, which ensures complementarity and supports the planning of the ITIs.



Urban Regeneration projects and projects aiming at cultural preservation are also funded through the RRF. In the case of RRF, urban regeneration projects are defined and will be supplemental and supportive to the ITI.

#### Complementarities and alignment between ESPA and National Development Program (NDP)

There is consistency and complementarity between the funding priorities of the cohesion policy and the priorities identified in the NRP, as the planning of ESPA has taken into consideration the Country Specific Recommendations and it is consistent with the National Reform Program and the Development Plan for the Greek Economy.

The NDP is applicable for the period 2021-2025. The NDP has a similar structure to the ESPA programs and consists of sectoral development programmes and regional development programmes. The main priorities of the NDP are divided into five pillars, namely smart development, green development, social development, infrastructure and increased extroversion, aligned with most of the Policy Objectives of ESPA.

It also shares the basic characteristics and elements with ESPA system, such as Control and Management System, Monitoring and Indicator System, Integrated Management System etc.

The planning of NDP, has taken into consideration the overall budgetary strategy, the prospects of the national economy and the complementarity and consistency with other co-financed interventions in order to achieve the maximum developmental impact.

#### Tables of programmes

##### ESPA programmes 2021-2027

PROGRAM	EU contribution (€)	Total (€)
Competitiveness	3.089.121.492	3.885.085.491
Digital Transformation	753.325.749	943.004.309
Environment and Climate Change	2.978.012.279	3.606.846.168
Transport	1.854.325.521	2.224.091.289
Civil Protection	570.190.646	713.757.943
Human Resources and Social Cohesion	3.324.519.361	4.161.594.205
Technical Assistance and Beneficiary Support	405.144.583	504.394.134
Just Development Transition	1.375.059.412	1.629.187.543
Maritime, Aquaculture and Fisheries	363.746.026	519.637.180
Anatoliki Makedonia, Thraki	543.234.017	639.098.846
Kentriki Makedonia	1.224.087.320	1.440.102.734
Thessalia	470.802.814	553.885.667
Ipeiros	362.156.013	426.065.900
Dytiki Ellada	534.180.118	628.447.202
Dytiki Makedonia	334.994.311	394.110.958
Stereia Ellada	362.156.013	426.065.902
Peloponnisos	348.575.163	410.088.431

Ionia Nisia	244.455.306	287.594.481
Voreio Aigaio	334.916.486	394.019.400
Kriti	479.856.714	564.537.315
AttiKi	808.497.748	1.616.995.496
Notio Aigaio	142.676.075	285.352.150
<b>Sum of Sectoral Programs</b>	<b>14.713.445.069</b>	<b>18.187.598.262</b>
<b>Sum or Regional Programs</b>	<b>6.190.588.098</b>	<b>8.066.364.482</b>
<b>Total Sum of Sectoral and Regional Programs</b>	<b>20.904.033.167</b>	<b>26.253.962.744</b>

### Programmes of European Territorial Cooperation

PROGRAM	EU contribution (€)	Total (€)
Greece- Republic of N.Macedonia	26.650.000	33.312.500
Greece - Albania	26.650.000	33.312.503
Greece - Italy	79.582.928	106.110.571
Greece- Bulgaria	67.162.945	83.953.682
Greece- Cyprus	45.991.214	57.489.018
<b>Sum of Programs</b>	<b>246.037.087</b>	<b>314.178.274</b>

## 6. Institutional processes and stakeholder involvement

The Greek NRP mainly comprises of:

- a) Actions implemented within the context of the Post Programme Surveillance Framework.
- b) Reforms implemented within the context of the RRP framework. As far as these reforms are concerned, a concrete procedure has been followed regarding their planning and stakeholders' engagement for planning and selection, as described in pages 683-686 of the Greek NRPP, Greece 2.0. The NRRP was debated in Parliament and took the institutional form of Law. Additional consultation with the key stakeholders is provided for the implementation phase. At the same time, a series of public events are being planned to get stakeholders and the public more involved and, thus, increase ownership of the Plan.
- c) Reforms included in the Ministries' Annual Action Plans, designed following a concrete process, as described in Law 4622/2019. All important legislation bills are released for public consultation for a sufficient period of time at the web platform [www.opengov.gr](http://www.opengov.gr), where institutional and non-institutional parties can participate. During the law-voting procedure at the Parliament, Civil Society partners have, and actually make use of, the opportunity to express their opinion.

Consequently, for the vast majority of the reforms covered by the NRP, the ownership and participation of stakeholders is largely ensured in phases foregoing the NRP formulation. Moreover, the process of the formulation of the NRP requires contributions from the competent Ministries. The strategy

contributions of the Ministries are determined at Minister or General Secretary level, where this is deemed efficient. Every Ministry can opt for the consultation with social partners with regards to aspects of the policies described in the NRP.

Content refinement and coordination of the Ministries' contributions are conducted by the General Secretariat of Coordination (GSCO) and the Council of Economic Advisors. The NRP is validated by the Presidency of the Government.