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COMMISSION IMPLEMENTING DECISION

of 31.3.2022

on the authorisation of the disbursement of the first instalment of the non-repayable support and the first instalment of the loan support for Greece

(Only the Greek text is authentic)

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility¹, and in particular Article 24(5) thereof,

Whereas:

- (1) According to Article 4(2) of Regulation (EU) 2021/241, the specific objective of the Recovery and Resilience Facility is to provide Member States with financial support with a view to achieving the milestones and targets of reforms and investments as set out in their recovery and resilience plans.
- (2) Council Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Greece² (the ‘Council Implementing Decision’) provides that the Union is to release instalments in accordance with the Financing Agreement and the Loan Agreement conditional on a decision by the Commission, taken in accordance with Article 24(5) of Regulation (EU) 2021/241, that Greece has satisfactorily fulfilled the relevant milestones and targets identified in relation to the implementation of the recovery and resilience plan.
- (3) On 29 December 2021, Greece submitted a request for payment, accompanied by a management declaration and a summary of audits. The request concerned the first instalment of the non-repayable support and the first instalment of the loan support. Pursuant to Article 24(3) of Regulation (EU) 2021/241, the Commission assessed on a preliminary basis whether the relevant milestones and targets set out in the Council Implementing Decision had been satisfactorily fulfilled. For the purpose of this assessment, the operational arrangements concluded between the Commission and Greece³ in accordance with Article 20(6) of Regulation (EU) 2021/241, were taken into account.
- (4) The Commission made a positive preliminary assessment of the satisfactory fulfilment of all 13 relevant milestones related to the non-repayable support and all 2 relevant milestones related to the loan support and, in accordance with Article 24(4) Regulation (EU) 2021/241, provided its findings to the Economic and Financial Committee asking

¹ OJ L 57, 18.2.2021, p. 17.

² ST 10152 2021 INIT

³ Recovery and Resilience Facility Operational arrangements between the European Commission and Greece, entered into force on 21 December 2021.

for its opinion on the satisfactory fulfilment of the relevant milestones and targets. In accordance with Article 25(4) of that Regulation, the Commission provided the competent committee of the European Parliament with an overview of its preliminary findings concerning the satisfactory fulfilment of the relevant milestones and targets. The Economic and Financial Committee agreed with the Commission positive preliminary assessment and was of the opinion that Greece has satisfactorily fulfilled all the milestones associated with the payment request. The Commission has taken the opinion of the Economic and Financial Committee into account for its assessment.

- (5) Section 2(1)(1.1) of the Annex to the Council Implementing Decision provides the relevant milestones that are to be satisfactorily fulfilled for the first instalment of the non-repayable support for an amount of EUR 1 974 438 067.
- (6) Section 2(2)(2.1) of the Annex to the Council Implementing Decision provides the relevant milestones that are to be satisfactorily fulfilled for the first instalment of the loan support for an amount of EUR 2 121 256 487.
- (7) Milestone 20 provides for the launch of the first round of energy renovations for residential buildings. The aim is to reduce primary energy consumption of residences, on average, by at least 30%. Greece provided a copy of the Joint Ministerial Decision (Official Journal B 5229/26.11.2020) that includes in annex a Guidance Manual, which amongst others, sets out the i) implementation mechanism; (ii) selection process to achieve the set primary energy saving target; (iii) certification mechanism to validate actual primary energy savings achieved; and (iv) timeline. The summary document submitted by Greece provides details on how the required upgrading of three energy performance classes and the various interventions that are eligible translate into expected primary energy savings that exceed the average primary savings target set in the Council Implementing Decision. The summary document further provides details on the expected average primary energy savings of renovations already approved, which exceeds the average primary energy savings target set in the Council Implementing Decision. As concerns the requirements for re-use, recycling and other material recovery of the non-hazardous construction and demolition waste generated on the construction site, the Guidance Manual for this call for applications imposes that each approved renovation needs to comply with a Joint Ministerial Decision (Official Journal B 1312/24.08.2010) that stipulates that 70% of waste shall be prepared for re-use, recycling and other material recovery. Further, the summary document provides details how the waste hierarchy and the EU Construction and Demolition Waste Management Protocol for the treatment of non-hazardous construction and demolition waste have been taken into account into the existing national legislation, including the integrated waste management law (Law 4819/2021, OJ A 129/23.07.2021). On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (8) Milestone 32 provides for the adoption of an energy poverty action plan. The action plan lays out a strategy to address energy poverty, outlining targeted policy measures for economically vulnerable households. Greece provided a copy of the Ministerial Decision (89335/5599, Official Journal B 4447/28.09.2021), which adopts the energy poverty action plan and includes the full action plan in annex. The action plan sets out three categories of policy measures: (i) financing measures to protect energy poor households; (ii) short-term protection of energy poor households; and (iii) awareness and information. The monitoring of the implementation of the energy poverty action plan will be done through mandatory progress reports submitted to the European Commission under Regulation (EU) 2018/1999 of the European Parliament and of the

Council⁴. Greece also published on the Ministry of Environment and Energy's website a complementary timeline for the actions to be implemented until 2023. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (9) Milestone 42 provides for the establishment of a comprehensive regulatory framework for the installation and operation of charging points for electric vehicles. The aim is to contribute towards meeting Greece's target of a 30% share of electric vehicles in the domestic market by 2030, as set out in its National Energy and Climate Plan. Greece provided a copy of law to promote electro-mobility (Law 4710/2020, Official Journal A 142/23.07.2020) and copies of nine secondary legislation acts that have entered into force. The primary legislation together with the secondary legislative acts adequately ensure the organisation of the electric vehicles' market, with a focus on the charging services market, tax based incentives for the purchasing of electric vehicles and the installation of charging infrastructure for electric vehicles. The summary document provides details on how the legislative framework put in place has had a substantial positive impact already, as the number of publicly accessible charging points has tripled in Greece during 2021 (from 334 in 2020 to 1 040 in 2021). These charging points include rapid chargers (> 50 kW) and their geographical coverage extends via multiple locations across Greece's TEN-T road network. Law 4710/2020 contains in total 18 secondary legislative acts, including the nine adopted acts. Out of the remaining nine secondary legislative acts, four do not concern organising the electric vehicles' market while the other five secondary legislation acts that are yet to be adopted are not considered to have a direct impact on the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (10) Milestone 56 provides for the entry into force of a law for the implementation of sustainable landfilling and recycling (waste management law, Law 4819/2021, Official Journal A 129/23.07.2021) with a view to enabling the transition towards a circular economy. The milestone requires that a landfill tax shall be applied as of the first quarter of 2022 and the tariffs shall progressively increase until they reach the upper threshold of the landfilling tax by the third quarter of 2024. The law was adopted in Parliament on 23 July 2021 and entered into force with the publication in the Official Journal. The law provides for incentives for municipalities to achieve high rates of reuse and recycling, and for the implementation of a landfill tax. Tariffs shall progressively increase until they reach the upper threshold of the landfilling tax by the third quarter of 2024. The law was adopted in Parliament on 23 July 2021 and the Greek authorities provided several documents proving its effective entry into force. These consist of a summary document duly justifying how the milestone was satisfactorily fulfilled, a Joint Ministerial Decision with the requirements of the cleaning regulations that the municipalities need to produce, a note of the Ministry of Environment and Energy on pricing policy and a circular of the Minister of Environment and Energy addressed to all municipalities with the modalities of the

⁴ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

implementation of the landfill tax. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (11) Milestone 77 provides for the publication of a tender for the construction of 13 Regional Civil Protection Centres through public-private partnerships. The objective of the investment is to ensure timely and effective management of risks and crises at regional level through the construction of 13 new buildings through public-private partnerships covering all 13 regions of Greece. The main function of the buildings will be to respond to natural disasters, but they will also permanently house the administrative structures of the Civil Protection (a ministry responsible for crisis management). The tender was published on 8 January 2021 and the authorities provided the references of publication of the contract notices (two contract notices, one for seven centres and one for six centres). On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (12) Milestone 133 provides for the entry into force of the Labour Law aiming to modernise a) the law for individual labour, b) the law for collective labour and the trade union law, c) the ERGANI IT system of the Ministry of Labour that is used for monitoring the labour market and for detecting undeclared and under-declared work, and d) the framework on work-life balance. Greece provided a copy of the law (Law 4808/2021, Official Journal A 101/19.06.2021) titled ‘Labour protection, setting up of an Independent Labour Inspection Authority, Ratifying Convention No 190 of International Labour Organisation, eradicating violence and harassment at work, and transposing Directive (EU) 2019/1158 on private and professional life balance’. The Law entered into force on 19 June 2021 and its content and objectives are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (13) Milestone 141 provides for the entry into force of the organizational reform of the Hellenic Manpower Employment Organisation (OAED), restructuring, renovating and rebranding its local Public Employment Services with a view to improving quality, capacity and effectiveness of offered services. Greece provided a copy of the law (Law 4837/2021, Official Journal A 178/01.10.2021) updating OAED’s governance model and establishing a new organisational chart and financial management system for OAED. The law entered into force on 1 October 2021 and its content and objectives are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (14) Milestone 153 provides for the adoption and entry into force of a legislative framework introducing an element of risk-sharing in the calculation of the pharmaceuticals clawback. The clawback is the amount paid back by pharmaceutical companies to the state for the amount of previous year’s public spending in excess of a predefined legislated ceiling. Risk-sharing will be implemented by setting binding targets for the reduction of the clawback requiring state financing to cover any difference short of the target. Greece provided a copy of the law introducing this mechanism (Law 4837/2021, Official Journal A 178/1.10.2021), which contains the relevant provisions that describe the mechanism required by the milestone in Article 77. This law entered into force on 1 October 2021. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (15) Milestone 199 provides for a comprehensive schedule for the deliverables of the codification and simplification of tax legislation. The objective of the measure is to simplify and update the legislation for the major tax codes, the customs code and all

relevant secondary legal provisions in line with EU best practices and in the light of the digitalisation of the tax administration. The measure will include the development of a digital content management system and associated taxpayer information website thus enabling further digitalisation and improving transparency, legal certainty, tax compliance and the business environment. Greece provided a comprehensive schedule for these future deliverables, implemented through two decisions of the Minister of Finance and three decisions of the Governor of the Independent Authority for Public Revenue. These decisions entered into force upon their publication. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (16) Milestone 200 provides for legislative drafts of primary and secondary legislation to be published for consultation purposes, providing improvements of the legal framework of tax, financial and licensing and incentives for mergers, conversions and acquisitions. The reform aims to tackle weaknesses associated with the predominantly small size of Greek enterprises through creating an array of tax and other incentives to encourage the self-employed and micro, small and medium sized enterprises to increase economies of scale through mergers, conversions, acquisitions and cooperation schemes, thus promoting higher productivity and increased exports. Greece provided to the Commission the draft legislation to encourage business extroversion, open for public consultation from 30 September 2021 to 1 November 2021 and clarified that the final text will be designed in compliance with state aid rules. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (17) Milestone 222 provides for the compilation of a list of buildings not affected by the revision of the judicial map. The objective of the measure, which is related to the investment regarding construction and renovation of court buildings and the revision of the judicial map, is the maximization of judicial efficiency and the avoidance of unnecessary effort and expenses. The Greek authorities provided a report signed by the Minister of Justice on 14 September 2021, under protocol number 3047, listing the buildings not affected by the revision of the judicial map. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (18) Milestone 263 provides for the preparation of a Roadmap for the organisational reform of the railways sector in Greece. The reform aims to make the Greek rail sector more efficient, integrated, modern and responsive to customer demand. The milestone also provides that the reorganisation of the companies, OSE (railway infrastructure) and ERGOSE (Railway infrastructure construction project manager) should be based on certain principles that are necessary to achieve the objectives of the measure including appropriate arms-length governance arrangements. The reform should also help improve the absorption of EU structural funds and be conducive to promoting rail transport in general. Greece provided a copy of the Roadmap for the reorganisation of the railway sector with a link to the website where it can be accessed and an accompanying letter of Minister of Infrastructure and Transport concerning the adoption of the Roadmap. The railways Roadmap outlines the reform principles and foresees the introduction of arms' length governance arrangements, the clear definition of the mission of each company and the clarification of their responsibilities and a comprehensive medium-term financing plan, as well as the necessary changes to organisational structures and management processes to modernise the companies and

to improve their access to human resources. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (19) Milestone 320 provides for the adoption of a framework for the operational agreements with international financial institutions, and the signing of the operational agreement between the Hellenic Republic and at least one international financial institution. Greece adopted two Ministerial Decisions (MD 120536 EΞ 2021, Official Journal B 4522/30.09.2021, as amended by MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021; MD 120535 EΞ 2021, Official Journal B 4521/30.09.2021, as amended by MD 159335 EΞ 2021, Official Journal B 5885/15.12.2021), which provided for the Loan Facility operational agreements' framework and the eligibility criteria. Further, the operational agreement between the Hellenic Republic and the European Bank for Reconstruction and Development (EBRD) was signed on 29 November 2021. In addition, a second operational agreement between the Hellenic Republic and the European Investment Bank (EIB) was signed on 30 September 2021, and an amendment to that agreement was signed on 17 January 2022. The evidence provided demonstrated that the Ministerial Decisions were adopted and the operational agreements were signed, and that their content and objectives are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (20) Milestone 321 provides for the adoption of a framework for the operational agreements with commercial banks, and the launch of the calls addressed to commercial banks with the objective to provide loans to finance eligible investments. Greece adopted two Ministerial Decisions (MD 120536 EΞ 2021, Official Journal B 4522/30.09.2021, as amended by MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021; MD 120535 EΞ 2021, Official Journal B 4521/30.09.2021, as amended by MD 159335 EΞ 2021, Official Journal B 5885/15.12.2021), which provided for the Loan Facility operational agreements' framework and the eligibility criteria. Further, the calls to commercial banks were launched through Ministerial Decisions (MD 439/30.09.2021; MD 440/30.09.2021), accompanied by a Supplementary notice (MD 165624 EΞ 2021/23.12.2021). The evidence provided demonstrated that the Ministerial Decisions were adopted and the calls to commercial banks were launched, and that their content and objectives are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (21) Milestone 331 provides for the establishment of the Hellenic Audit Authority's (EDEL) legal mandate and the setting up of the management, control and audit systems, including an audit report of the system to be carried out by EDEL. Greece submitted a copy of Law 4820/2021 establishing EDEL's legal mandate. Furthermore, the Audit and Control System was established by the Ministerial Decision of the Alternate Minister of Finance (MD 119126 EΞ 2021, Official Journal B 4498/29.09.2021). According to the Council Implementing Decision, the Audit and Control System shall (a) ensure the collection of data and monitoring of the achievement of milestones and targets; (b) allow for the preparation of management declarations and the audit summary as well as payment claims and (c) establish the necessary procedures to collect and store data on beneficiaries, contractors, subcontractors, and beneficial owners in accordance with Article 22 of Regulation (EU) 2021/241. Evidence related to 11 contracts and one grant scheme was provided confirming that the system in place is able to collect and store information on contractors, sub-contractors and beneficial owners. The Audit Report carried out by

EDEL verified the set-up of a system for the storage of the necessary data, ensuring interoperability of the information system, data security and integrity, as well as the protection of personal data, collection and storage of data. The report did not identify any major weaknesses. In order to ensure continuous compliance with the milestone and its obligations under the Financing and Loan Agreements, as attested through the summary document justifying how the milestone was satisfactorily fulfilled, Greece has committed to continue to develop its system to improve its functionalities and efficiency by: i) using the European Central Platform for identifying beneficial owners of foreign companies, once it becomes available, while, in the meantime implementing bodies shall contact the Official register of the Member State in which the company is resident; ii) developing and implementing, over the next 6 months and at the latest before the next payment request is submitted to the European Commission, an adequate risk-based selection approach for the ex-ante checks to prevent conflict of interest, making use of the beneficial owner data; and iii) implementing a roadmap for the use of EU ARACHNE as a data mining and risk scoring tool for the control of conflict of interest. The Commission will monitor the timely delivery of these measures. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (22) Following the fully positive assessment concerning the Greece's payment request, in accordance with Article 24(5) of Regulation (EU) 2021/241, the disbursement of the financial contribution for the first instalment of the non-repayable support and the disbursement of the loan for the first instalment of the loan support should be authorised.
- (23) In accordance with Article 2(3) of the Council Implementing Decision, as specified in the Financing Agreement, the pre-financing of the financial contribution shall be cleared by being proportionally deducted against the payment of the instalments. As Greece received 13% of the financial contribution as pre-financing, an amount of EUR 256 676 949 of the payment should be utilised to clear the pre-financing, equal to 13% of the instalment.
- (24) In accordance with Article 3(3) of the Council Implementing Decision, as specified in the Loan Agreement, the pre-financing of the loan shall be cleared by being proportionally deducted against the payment of the instalments. As Greece received 13% of the loan as pre-financing, an amount of EUR 275 763 343 of the payment should be utilised to clear the pre-financing, equal to 13% of the instalment
- (25) This Decision should be without prejudice to procedures relating to distortions of the operation of the internal market that may be undertaken, in particular under Articles 107 and 108 of the Treaty on the Functioning of the European Union. It does not override the requirement for Member States to implement the measures in accordance with Union and national law and, in particular, to notify instances of potential State aid to the Commission under Article 108 of the Treaty on the Functioning of the European Union.
- (26) The measures provided for in this Decision are in accordance with the opinion of the Committee established by Article 35(1) of Regulation (EU) 2021/241,

HAS ADOPTED THIS DECISION:

Article 1

Authorisation of the disbursement of the non-repayable support

The disbursement of the first instalment of the non-repayable support as laid down in Section 2(1)(1.1) of the Annex to the Council Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Greece for an amount of EUR 1 974 438 067 is authorised.

In accordance with the Financing Agreement concluded pursuant to Article 23(1) of Regulation (EU) 2021/241 between the Commission and Greece, EUR 256 676 949 shall be utilised to clear the pre-financing of the financial contribution and EUR 1 717 761 118 shall be provided to Greece by means of payment to the bank account indicated in the Financing Agreement.

Article 2

Authorisation of the disbursement of the loan support

The disbursement of the first instalment of the loan support as laid down in Section 2(2)(2.1) of the Annex to the Council Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Greece for an amount of EUR 2 121 256 487 is authorised.

In accordance with the Loan Agreement concluded pursuant to Article 15(2) of Regulation (EU) 2021/241 between the Commission and Greece, EUR 275 763 343 shall be utilised to clear the pre-financing of the loan and EUR 1 845 493 144 shall be provided to Greece by means of payment to the bank account indicated in the Loan Agreement.

Article 3

Addressee

This Decision is addressed to the Hellenic Republic.

Done at Brussels, 31.3.2022

For the Commission

Paolo GENTILONI

Member of the Commission