



ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ
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Introductory Note

In the last four years, a series of major reforms has been implemented in Greece with a view to rebalance the economy by restoring country's competitiveness and ensuring that the growth prospects are based on sustainable factors rather than on a consumption pattern that is fuelled by external borrowing. Literally, there hasn't been a single sector that has not been affected by reforms. Some notable examples include the complete overhaul of the labour market institutions, the reform in the pension system, the opening up of the close professions and the drastic reduction in the healthcare spending. Additional reforms have also been put in place in order to restore efficiency in the product and service market by abolishing restrictions that hinder competition. Improving efficiency of the public administration is also an important objective, compatible with the priorities described in the annual growth survey, aiming at enhancing competitiveness by eliminating bureaucracy, reducing the administrative burden, making extensive use of e-government tools and ensuring transparency in the public sector.

The recent macroeconomic and fiscal developments provide a positive indication that the reform efforts and the sacrifices by the Greek people are starting to pay off. The recession in 2013 turned out to be milder than expected while Greece after a long period of deficits achieved a primary surplus amounting to 0,8% of GDP, compared with an initial programme projection of 0%. The current account figures are also encouraging since a surplus of 0.7% materialized compared with an expected deficit of 0.8%. In this respect, enhancing extroversion and supporting sectors with competitive advantages is crucial in guaranteeing that these developments in the external sector are of structural nature and do not depend solely on the weakening of domestic demand.

The progress that Greece has made both on the structural and the fiscal front is well acknowledged by international organizations, institutes and think tanks. Indicatively, between 2008 and 2013 the country improved by 5 positions in the OECD "Product Market Regulation" indicator while the OECD ranks Greece as the country with the greatest responsiveness to its recommendations. In the World Bank's "doing business" indicator Greece advanced by 97 positions in "starting a business", 70 positions in "protecting investors" and 24 positions in the "ease of doing business". In

2013 the country was also ranked first in the “adjustment progress indicator” by the Lisbon Council & Berenberg Bank. However, the ultimate reward came recently from the international capital markets as Greece successfully issued a short-term bond after almost 4 years. This gives hope that a steady liquidity flow will be restored not only for the State but also for the financial institutions and effectively for the economy as a whole.

However, this impressive adjustment was accompanied by significant socio-economic costs. Since 2009, output has declined by over a quarter; a decline not experienced by any developed country apart from the US during the time of the Great Depression. Although the unemployment rate has now stopped rising, it has reached levels that are unprecedented for a developed country. Currently, it stands at above 27%, while youth unemployment hovers around 60%. Approximately two thirds of the unemployed have been unemployed for over a year. Partly as a result of this and partly due to the fact that, on average, the disposable income of the population declined by over a third since the onset of the crisis. Almost 35% of the population is classified by EUROSTAT as being at risk of poverty or social exclusion.

The 2014 National Reform Programme provides qualitative information on structural reforms in priority policy areas that are in line with the growth enhancing efforts of the country as well as the implementation of the Europe 2020 agenda. Although the continuous recession has slowed the pace towards achieving the “2020” headline targets, the return to growth along with the continuous reform effort constitute a promising combination for the future and prosperity of Greece.

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1. MACROECONOMIC ENVIRONMENT AND MACROECONOMIC IMBALANCES

1.1 Overview of the macroeconomic scenario

Since the beginning of 2010, the Greek economy is going through a transformation process. The economic policy mix, founded on frontloaded fiscal consolidation and wide-ranging structural reforms, has moderated markedly the macroeconomic and fiscal imbalances. Policy efforts are progressively reflected in an improved macroeconomic performance. The gradual rebound in confidence pertaining to the economic outlook, the unprecedented fiscal consolidation effort, the de-escalation of inflationary pressures, the sustained export growth and the sizeable external sector surplus summarize the key macroeconomic developments in 2013.

Improvement in high frequency indicators has not yet been fully reflected in real macroeconomic fundamentals. The recession in the Greek economy persisted in 2013; notwithstanding, according to ELSTAT's provisional estimates, real GDP decreased by 3.85%, compared to prior projections for a recession of 4.0%. Real GDP decreased by 2.3% on a yearly basis in 2013Q4. The last available data support economic recovery in 2014, owing also to a smaller "carry over" effect. Real GDP growth is estimated at 0.6% in 2014 and at 2.9% in 2015 followed by a further acceleration of output growth over the medium term.

Regarding 2013, private consumption contributed negatively to GDP developments, contracting further by 6.0% due to adverse developments in disposable income and employment as well as negative credit expansion. Structural reforms in the public sector decreased government consumption expenditure by 4.1%, while gross fixed capital formation remains on a downward path (-12.8%), mainly as a result of declining construction activity. A positive sign pertaining to the investments outlook is the less steep decline in equipment (-7.2% compared to -17.6% in 2012). In addition, external sector developments contributed positively to real output growth, mostly owing to a significant real imports' contraction by 5.3%. Real exports increased by 1.8% from -1.7% in 2012, reflecting robust growth in exports of goods and moderate increase in exports of services.

Discretionary fiscal policy is also expected to outperform the fiscal targets. According to the 2014 State Budget, the general government deficit (on an accruals basis, excluding bank recapitalization costs) is estimated at 2.2% of GDP in 2013 and

2.3% in 2014 from 6.1% of GDP in 2012. The general government data for 2013 confirm the achievement of a primary surplus of €812 million in 2013 in accrual terms as defined in the Economic Adjustment Program (i.e. excluding support for financial institutions and ANFA/SMP proceeds). This result is even above the program's target for a zero primary balance and confirms the ability of the fiscal authorities to realize the medium term targets of the program's primary surpluses.

The sizeable current account surplus (on a balance of payments basis) of approximately €1.2 billion (0.7% of GDP) in 2013 reflects a full recoupment of the cost competitiveness loss of the previous decade as well as the positive impact of the debt relief measures undertaken in 2012. The real effective exchange rate (based on the unit labour cost) decreased by 7.5% vis-à-vis 28 main trading partners and by 9.5% relative to the euro-area, reflecting a cumulative improvement in unit labour cost since 2010 of 27.1% and 22.9% respectively. Structural measures implementation, facilitating labour market flexibility and enhancing competition in the product markets, is strongly associated with a boost in price competitiveness in 2013. The real effective exchange rate (based on the consumer price index) decreased by 0.3% and 2.1% relative to 28 main trading partners and the euro area, respectively.

Developments on the production side are in line with the pronounced contraction in domestic demand. The industrial production index declined by 3.6%, reflecting a reduction of 2.0% in manufacturing. Notwithstanding, expectations in industry and construction have improved compared to 2012 levels, indicating a more favourable economic outlook. The Producer Managers' Index (PMI) nearly reached the boom-bust threshold of 50 points in December 2013, while being below the threshold since 2009. The Economic Sentiment Indicator has also improved markedly (90.4 versus 80.0 in 2012).

Economic activity developments have been translated into falling prices (-0.9% based on CPI and HICP), resulting to a negative price differential with the euro zone of 2.3 p.p. Core CPI declined by 1.7% in 2013 down from +0.4% in 2012. On the other hand, the recession in the Greek economy has weighed heavily on the labour market. Employment decreased by 7.8% down from -6.8% in 2012 and the unemployment rate escalated to about 27.3%, being particularly high (near 58%) among the young people.

For the current year, the economic prospects are encouraging. Private consumption and government consumption expenditure are expected to follow a less

steep decline (-1.8%). A rebound in investment activity in 2014 will be founded on higher EU structural funds absorption and improved expectations over the course of the economy. In this regard, gross fixed capital formation growth is estimated at 5.3% (compared to -12.8% in 2013), reflecting increased construction activity and investment in equipment. The external sector is forecast to contribute positively to GDP growth by 1.5 p.p. as a result of robust growth in exports of goods and services (+4.0%) and moderate contraction in the respective imports (-1.2%). Deflationary pressures are expected to moderate in 2014 with the HICP projected to decline by 0.8%. A drag on growth is the unemployment rate which is estimated (on a national accounts basis) at 24.5% from 25.8% in 2013. Employment growth is projected to return to positive ground in 2014 (+0.6%) after five consecutive years of contraction.

As regards the medium term outlook, the Greek economy is forecast to grow by 3.4% on average in 2015-2017, stemming *inter alia* from excess capacity utilization in the economy and structural reforms implementation. Increased exports and a higher investment activity will support the high growth path (+5.0% and +11.9% respectively on average in 2015-2017). Inflationary pressures are projected to remain subdued, while domestic demand developments are expected to be a key driver of medium term growth (by 2.8 p.p. on average in 2015-2017).

Table 1 outlines the 2012-2013 data and the projections for the 2014-2017 period for the main macroeconomic variables.

Table 1: Key macroeconomic aggregates

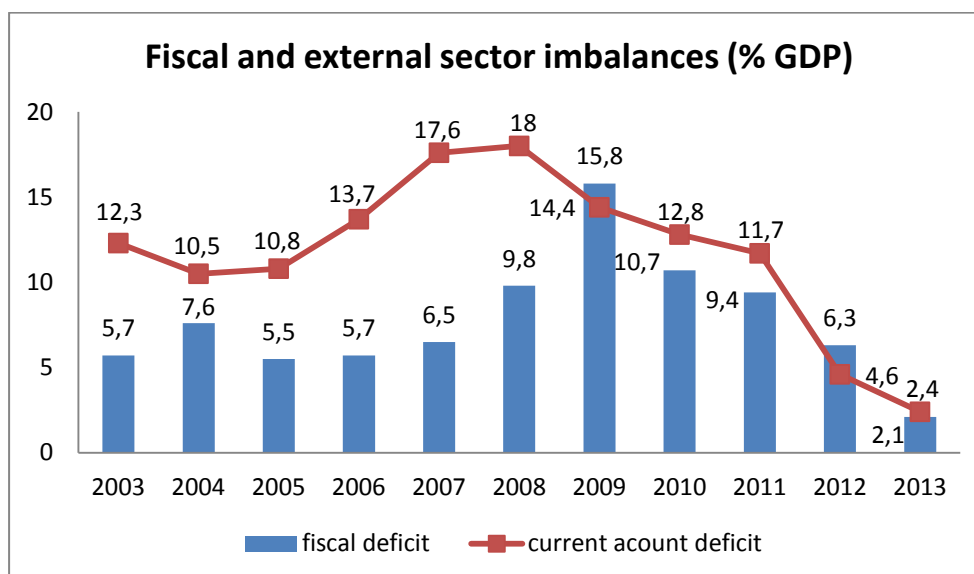
	2012	2013	2014	2015	2016	2017
% change in volumes, except as indicated						
Real GDP	-7.0	-3.9	0.6	2.9	3.7	3.5
Private consumption	-9.3	-6.0	-1.8	1.6	2.2	1.8
Public consumption	-6.9	-4.1	-1.8	-2.0	-0.0	0.4
Gross fixed capital formation	-19.2	-12.8	5.3	11.7	14.5	9.5
Exports of goods and services	-1.7	1.8	4.0	5.2	4.6	5.2
Imports of goods and services	-13.8	-5.3	-1.2	2.2	3.9	2.9
Nominal GDP	-7.1	-5.8	0.1	3.3	4.9	4.8
GDP deflator	-0.3	-2.1	-0.7	0.4	1.1	1.3
HICP	1.0	-0.8	-0.8	0.3	1.1	1.2
Employment*	-8.3	-3.7	0.6	2.6	4.0	2.9
Unemployment rate*	22.8	25.8	24.5	22.5	19.5	17.1
General government fiscal deficit (% of GDP)**	6.1	2.2	2.3			

Source: Hellenic Statistical Authority and Ministry of Finance

*Note: * on a national accounts basis ** according to the ESA95 definition (excluding bank recapitalization costs)*

1.2 Macroeconomic and Fiscal Imbalances

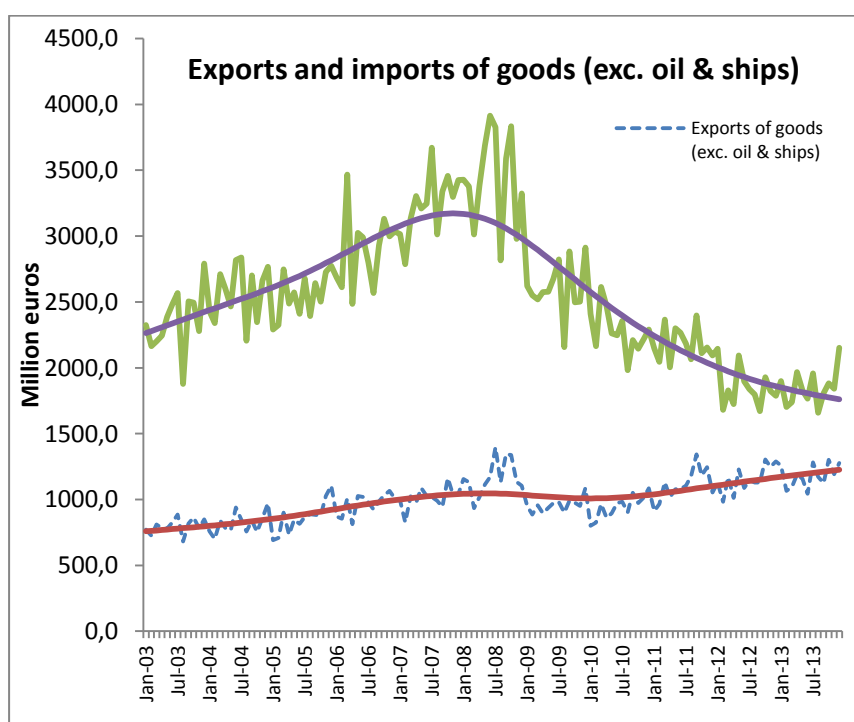
The Economic Adjustment Program of Greece has resulted to a sizeable reduction in macroeconomic and fiscal imbalances. An unprecedented fiscal adjustment has yielded a general government deficit decline by more than 9 percentage points of GDP, from 15.6% in 2009 to 6.1% in 2012 while according to the more recent Eurostat data the deficit declined even further in 2013 reaching 2.1 %. (excluding the one-off bank recapitalization costs). Similarly, the primary budget deficit improved from 10.4% of GDP in 2009 to 1.1% in 2012 while primary surplus was recorded in 2013, for the first time after more than a decade. In terms of the cyclically adjusted primary budget balance, the improvement was well above 15 p.p. of GDP (from -13.6% in 2009 to +2.0% in 2012) (IMF, Fiscal Monitor October 2013).



Source: Hellenic Statistical Authority

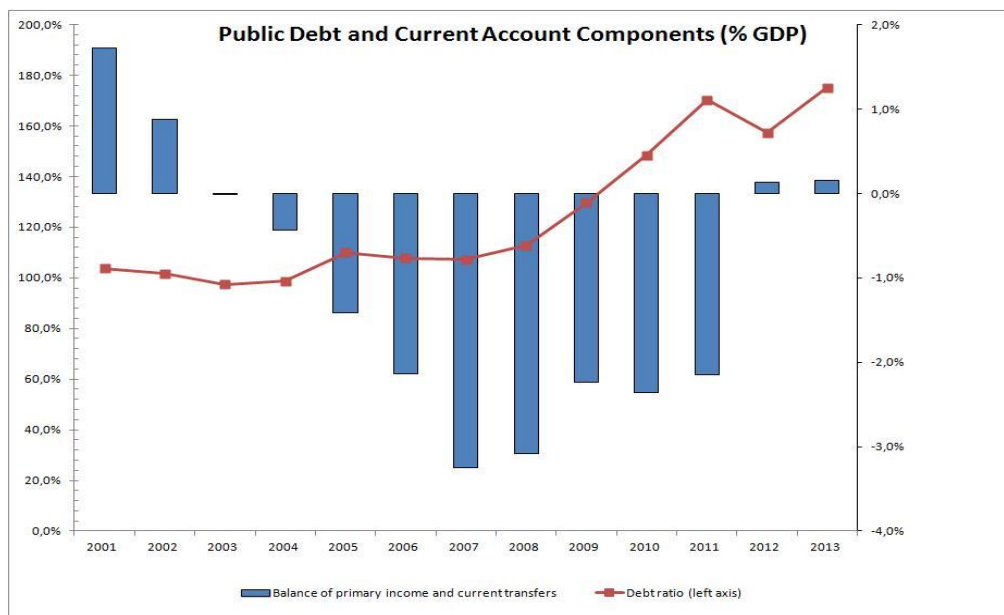
At the same time, the external sector deficit adjustment has been considerable, reflecting the favourable impact on the current account balance of domestic demand contraction, robust export growth, public debt relief measures, competitiveness gains and enhancement of foreign direct investment. On a national accounts basis, the current account balance reached its trough in 2008, marking a deficit of 18.0% of GDP which improved markedly thereafter at 4.6% of GDP in 2012.

The retard of the unwinding of external sector imbalances is evident in the evolution of the trade balance. The major drop in domestic demand for five consecutive years has geared entrepreneurship towards foreign markets, despite financing constraints and persistent uncertainty in the global economic outlook. Net exports of goods have increased significantly since 2008 mainly as a result of a sizeable import contraction, which has contributed €6.3 billion cumulatively in 2010-2013 in the current account deficit adjustment (€27 billion of total cumulative improvement). Equivalently, the contribution of the expansion in exports of goods was €7.2 billion cumulatively during the same period.



Source: Bank of Greece and Ministry of Finance estimations

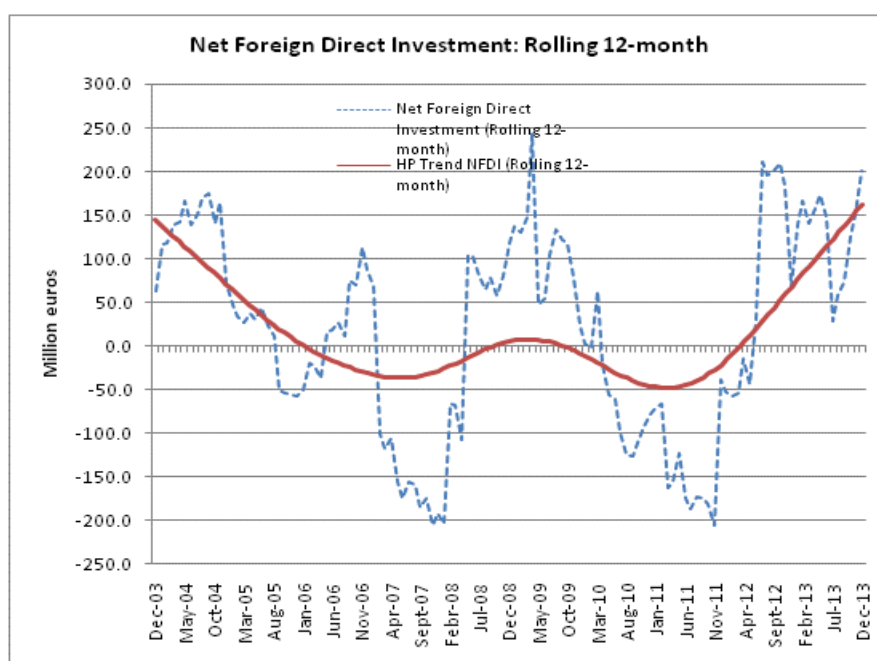
As regards the evolution of the balance of primary income and net current transfers (on a national accounts basis), this seems in close alignment with public debt dynamics. Following the deterioration in public finances, the income balance turned from a surplus of €0.9 billion in 2001 to a deficit of €6.2 billion in 2010, mostly owing to escalated sovereign debt servicing costs. Public debt relief measures undertaken in 2012 resulted to a decline by 13.5 p.p. in debt to GDP ratio and a sizeable turnaround of the income balance from a deficit to a surplus of about €1.0 billion.



Source: Hellenic Statistical Authority

The Economic Adjustment Program has also yielded considerable gains in terms of price and cost competitiveness that reflect the sizeable improvement in unit labour costs as well as the phasing-out of the downward price stickiness associated with hurdles in the business sector competition and of increases in indirect taxation and administered prices. In terms of structural competitiveness, considerable progress has been achieved. Greece is the best performing economy in terms of adjusting to OECD recommendations on structural reforms implementation.¹ Moreover, according to the Doing Business Report (World Bank), Greece improved markedly its ranking (146th position in 2012 to 36th in 2013) in terms of new business start-ups due to the simplification of procedures for starting a business.

¹ OECD, Economic Outlook, 94, November 2013 and Lisbon Council (2013), Europlus Monitor 3.12.13.



Source: Bank of Greece and Ministry of Finance estimations

Favourable competitiveness developments along with a boost in confidence pertaining to the medium term outlook of the economy are associated with an upward trend in net foreign direct investment. Compared to a stagnating level during the 2008-2010 period, a gradual rebound in net inflows of foreign direct investment is evident in 2012-2013, including investment in real estate activities.

2. REFORMS TO PROMOTE ENTREPRENEURSHIP AND COMPETITIVENESS

2.1 Investment licensing reform

Investment licensing has been identified as one of the major obstacles to attracting investments, a significant source of administrative burden for companies and one of the major areas providing opportunities for corruption. Following the contribution of the World Bank project on improving the business environment (as measured by the *Doing Business Ranking*) and the Business Environment Observatory² in identifying the existing relevant regulations and evaluating the impact on investments and/or operations, the government adopted a strategy paper in June 2013. The Prime Minister and the Minister of Development and Competitiveness have

² Run by the Hellenic Federation of Enterprises - <http://www.observatory.org.gr/>

already announced the main principles of the new law. The primary objective of the reform is to implement a radical change and simplification of the current licensing regime under a single regulatory framework that governs both compliance rules and control systems. This is an horizontal reform and as such is in coordination with the Ministries of Environment, Energy and Climate Change, Interior, Health, Public Order and Citizen Protection, Tourism, Administrative Reform and E-Governance, Shipping, The main principles of the reform are:

- Transition from “processing requests and approvals” system to “declaration of compliance” system based on performance specifications
- “Declaration of Compliance”: Responsibility to demonstrate proof of compliance by the enterprise
- “Compliance audit”: Transfer of the audit burden from the stage of licensing to the stage of activity operation
- Establishment of accreditation for all public and private sector licensing stakeholders, based on standard organizational and operational specifications
- Establishment of a centralized licensing tracking system

2.2 Improving competition and lifting barriers to entry

The involvement of OECD, has been critical on identifying, collecting and mapping existing regulations and laws in four vital sectors i.e. tourism, building materials, retail and food processing. Using the OECD toolkit, all relative regulations and laws have been mapped, identifying 329 potential barriers to competition such as restrictions on outlets, minimum prices, standards in materials or packaging etc. Moreover, the report identifies some points of horizontal intervention relating to several of the previous sectors. The Government has concluded in adopting the majority of OECD recommendations.

2.3 Supporting Extroversion

Support extroversion via a new Agency set to promote exports and attract FDI, while utilizing resources more efficiently and effectively. We are implementing a

comprehensive National Export Strategy (Enlarging Greece's Export Base; Trade and FDI Promotion; Trade and FDI Promotion) focusing on:

- Streamlining of economic diplomacy efforts through merging HEPO and Invest-in-Greece into a new agency (“Enterprise Greece”), institutionalizing cooperation with the Ministry of Foreign Affairs and other related public/private sector actors, and introducing accountability and performance monitoring mechanisms according to international best practices. The new agency will promote international trade and attract FDI by supporting:
 - (a) companies in Greece to engage in international trade networks and find trade partners abroad,
 - (b) foreign investors in choosing Greece as an investment destination and connecting with local opportunities, while assisting them in every step of the implementation phase.
- Liquidity support to SMEs in order to improve their internationalization via NSRF targeted subsidies, ETEAN loans, and initiatives with the EIB and the Export Credit Insurance Organization (ECIO/OAEP), while developing industry-specific policies (agriculture/food processing) to encourage companies in Greece to produce and offer internationally competitive goods or services under a sustainable business model.
- Simplification of pre-customs’ and customs’ procedures, according to the National Trade Facilitation Strategy and Roadmap that includes 25 actions set to reduce time to export by 50% and costs by 20% by 2015, thus leading to 10% increase in exports’ value, 1.7% increase of the GDP and 80,000 new jobs. It focuses primarily in assisting companies to easily trade across borders via streamlined, quick and digital procedures. Technical assistance is provided by the United Nations Economic Commission for Europe (UNECE) and various EU member states with the support of the European Commission (DG TAXUD, DG TRADE, Task Force Greece). This project is already delivering results and is on track with MoU commitments and the Roadmap timeline, while gaining praise from the market. Next steps include: (a) launch full implementation of Integrated Customs Information System (ICISNet/e-customs); (b) publication of a Guide for Distance Sales (e-commerce); (c) review of the risk analysis process and system applied by Customs, benchmark and align with international best practices, based on WCO

Diagnostic Report,; (d) analysis and streamlining of business processes for key Greek products (olive oil/ olives, cosmetics, aluminum products, canned and fresh peaches, dual-use products/metallic pipes).

2.4 National Strategy for the logistics sector

The sector of logistics is one of the key areas that are expected to assist the recovery of the Greek Economy. The World Bank (WB) has already identified the deficiencies in the sector and has advised the Greek authorities to move quickly to the direction of improving the conditions for investments in logistics. Following the WB assistance a National Logistics Strategy has been presented by Ministry of Development together with the Ministry of Transport, with a view to:

- Guarantee that Greece can deliver competitive and high quality logistics services.
- Reinforce reliability on doing business in Greece
- Remove barriers to entry and simplify the licensing procedures.
- Clarify the notion of logistics within the NSRF framework.
- Enhance transparency and legal secure in the establishing and operating a business

2.5 Innovation Strategy

The process of evaluating the existing national innovation framework and the international best practices on the subject is underway, in order to develop a detailed action plan focusing on:

- The assessment of existing framework for entrepreneurship and innovation: SWOT analysis, identification of priority industry sectors, international best practices and adjustment to local priorities, mapping of domestic state structures.
- Configuring policy pillars: Education & basic research, Applied research, Incubation ideas & start-ups' support, Funding, Commercialization & internationalization, Integration & Coordination.
- Streamlining Innovation Strategy with structural funds' framework 2014-2020.

- Networking of business hubs for innovation: Identification of operational nodes, networking between business hubs etc.
- Developing the necessary policy structures: Coordinating body, Working groups etc.
- Financing and liquidity: Activation of Venture Capital (VC) market and cooperation with the Yozma Group for advising on best practices, especially regarding start-ups.

3. BUSINESS START-UP

Reduction of capital requirements and simplification of procedures

In 2013 targeted interventions improved the institutional framework of one-stop services (Y.M.S.) and for the formation of companies, such as reducing the minimum capital requirement for setting up societies anonymes (SA-AE), limited liability companies (LLC-EPE), private companies (PC-IKE), the adoption of standard statutes and the repeal of the insurance awareness.

Both the reduction of share capital and all other interventions that preceded have simplified the process for the establishment of companies and have brought about a dramatic reduction in the costs of setting up a company, ranging from -73.2% for SAs and reaches -95% for IKE (as base price for IKE were taken up the costs for setting up a LLC).

Also in 2013 the success of the corporation form of private company (PC-IKE) was proven. Progressively in 2013 IKE became the preferred corporation form and in 2014 (first two months), IKE is the dominant corporation form and represents 40% in total, while all other company types represent the remaining 60%.

After the removal of regulatory barriers by the Ministries of Administrative Reform & Electronic Governance and Interior, in 2014, the establishment of all corporations, regardless of activity, will be done through the OSS.

Reduction of administrative burden

In 2013 the General Commercial Registry (GEMI) became operational as the single commercial register for every company type. Also GEMI interconnected with the Register of Agricultural Producers, for data exchange, reducing the administrative burden.

In 2014 we are planning the interconnection between GEMI and Licensing Manufacturing Operations and Technical Occupations Registers of the General Secretariat of Industry. Also we are examining, in collaboration with the Ministry of Finance the extension of interfaces with the taxation system (TAXIS), in order to exchange data for individual business enterprises mainly, reducing the administrative burden for them.

Also a provision that eliminates the requirement of publication in the Government Gazette / TAE - LTD & GCR, is expected to be enacted with benefit to SA and LTD approximately €46 million per year.

Finally with recent legislative intervention (Law 4242/2014 Article 14) the submission of applications and supporting documents of companies online is greatly facilitated and it should speed up the process and greatly reduce the administrative burden for them.

Indoor – Outdoor trade

A new law will be adopted by the end April for the codification, amendment and improvement of the regulatory framework for the outdoor trade of every form and other provisions for the exercise of commercial activities in the open, terms and conditions for the granting of outdoor selling licenses and conditions for their function.

The new law aims at the adjustment of the market in the recent society and consumer needs and in the European practise, as well as in the suggestions made by the OECD that represent this basic rules. It will contribute to a harmonized set of rules and terms of outdoor trade exercise throughout Greece.

4. LIQUIDITY

Several measures are adopted in order to help Greek enterprises and especially SMEs, which are the backbone of the Greek economy, to access capital with improved terms and conditions, given the gap in comparison to their European counterparts. Apparently, the bulk of the capital is envisaged to come through private funds and FDI, however part of the structural funds and other mechanisms and institutions can have an important added value in this respect. More specifically:

- **Hellenic Fund for Entrepreneurship and Development (HFED S.A. - ETEAN A.E.):** Existing programs amounting to €1.6 billion (NSRF funded) are under implementation (e.g. Fund for Entrepreneurship, Fund for energy conservation) while new financial tools are being developed.
- **EIB's operations (European Investment Bank):** New programs are planned under the initiative of the EU for SMEs for the 2014-2020 period. Constant evaluation of the overall progress of programs is envisaged to ensure that in case of delays funding will be channelled to other SMEs assisting operations.
- **Greek Investment Fund - Institution for Growth (IfG).** The purpose of the Fund is to finance regional infrastructure projects and businesses - especially SMEs – in order to address financing gaps within the country as also to promote growth, employment and innovation.

5. PUBLIC PROCUREMENT

A reform of the public procurement legislation including works, supplies and services under the coordination of the SPPA has been planned with a view to:

- i. simplifying, streamlining and consolidating the body of public procurement legislation;
- ii. rationalising the administrative structures and processes in public procurement to desired procurement results in terms of efficiency and efficacy;

- iii. improving national review procedures, including the reduction of delays triggered by the redress system and assessing the role to confer to the SPPA in the area of redress (remedies and judicial protection).

The whole system of public procurement is being modernised also through:

- Turning the tendering procedure into an electronic one. All public procurements will be carried out electronically, starting from the ones being run by the Ministries. The General Secretariat of Commerce has already started the procedures for carrying out tenders electronically.
- The integration of markets and achieving economies of scale through framework agreements for commodities / central government services.
- The restriction of Purchasing Bodies, from more than 7000 to around 700, as it has been announced.

6. STRUCTURAL AND COHESION FUNDS

The implementation of the NSRF operational programmes is directly affected by the economic developments and the conditionality stemming from economic adjustment programme. In this respect, a series of initiatives have been undertaken in order to comply with the MoU requirements on the absorption rates but also to facilitate the financing of the real economy and the smooth flow of liquidity, by also ensuring that quantitative and qualitative management of the funds is improved. Additionally steps are taken to speed up implementation by simplifying the administration and institutional framework of the co-financed projects.

6.1 Absorption rates

The NSRF absorption of funds in terms of co-financed public expenditure from 3.5% at the end of 2009, reached 18% in 2010, 31.5% in 2011, 45.77% in 2012 and 66.5% in 2013 with legal obligations amounting to 113.38%. Moreover, the coverage of the target arising from the obligations of the Memorandum for 2013 stood

at 116.3%. Highest performances, relative to the financial progress, record among the 13 sectoral and regional programs in the NSRF the O.P.A.I. (Accessibility Improvement), the O.P.C.E. II (Competitiveness and Entrepreneurship) and the Attica ROP.

NSRF Absorption rates

Fund	2010	2011	2012	2013
ERDF	21.7%	36.2%	50%	69.7%
ESF	11.1%	22.6%	37.9%	57.4%
CF	12.4%	28.3%	42.8%	66.8%
Total	18%	31.5%	45.77%	66.5%

Source: Ministry of Development

6.2 New programming period

The strategic planning for the period 2014-2020 envisages the transferring of scarce investment resources from non-tradable to tradable sectors and the implementation of a new development model that will not be based on consumption and borrowing, but on sound investments that create sustainable and well-paying jobs and at the same time attract new investments. The main pillars of this planning include:

1. Enhancing the competitiveness and export-orientation of enterprises (especially SMEs), the transition to quality entrepreneurship with cutting edge innovation and increase of domestic added value.

Due emphasis is placed to activities which depart from the traditional Greek growth model and can play an important role in the recovery efforts. Indicatively:

- Tourism (not only sun & beach, but also sub-sections of nautical, cultural, medical, city breaks, MICE)
- Energy and the environment including energy from waste management
- Agro-Food (including aquaculture and specialty Greek food products)
- Logistics
- Health services including pharmaceuticals, long term & elderly care & medical tourism

- Environmental Industry
- ICT
- Creative industries and culture

2. Development and utilization of human resources capacity - Active social integration

A well-designed policy framework for labour market that takes into account the structural nature of unemployment and combines active and labour market policies with a view to increase the efficiency of job matching, the speed at which the manpower adapts to the changing needs of the labour market and ultimately to establish an adequate social safety net by targeting the welfare programs to those who need them the most.

3. Protection of the environment

To upgrade the quality of life with respect to Environment, effective waste management is sought as well as promotion of recycling, integrated urban development, improvement of atmosphere quality and noise reduction, as well as the promotion of sustainable mobility, through the development of environmentally friendly transport systems (suburban, subway, trams).

4. Infrastructure

The main objective here is to complete the development of the National Transport System and the promotion of Combined Transport. Immediate priorities also include supporting the development of sustainable and ecological urban transport.

Regarding energy, the modernization and expansion of the transmission and distribution networks of electricity and natural gas including strengthening the security of gas supply and the development of intelligent systems in the energy distribution in order to enhance competition in the market are key priorities in the sector.

7. MEASURES TOWARDS THE 2020 EDUCATION TARGETS

7.1 1st Educational Target: the share of early school leavers should drop below 10%

a. In service training for teachers

Regarding the In-Service Education and Training of teachers (INSET), the main focus is placed on the following:

- Targeted teacher training on the implementation of the new curricula in Compulsory Education, through valorisation of teaching approach tools (teaching method, new standardized evaluation methods)
- Teacher training on ways to organize and implement Experimental Actions and Projects, based on the principles of experimental and inquiry-based learning in the 1st grade of the upper secondary education (Lyceum).
- Training of teachers specialized in ICT, drama, music, arts and intercultural education, who are employed today in full-day primary schools using a unified and revised curriculum.
- INSET for newly-appointed and substitute teachers during the academic year 2012-2013.
- INSET for teachers on the use and application of ICT in the teaching practice.

It is envisaged that some of the above actions will continue to apply and some will be integrated into a new strategic framework for training, which will begin in 2014 and will be completed during the first half of 2015.

Actions completed in 2013:

- A plan for the certification of administrative efficiency
- A plan to acquire Steering Proficiency

Planning for 2014 includes:

- Completion of the training all School Counsellors in order to acquire guiding proficiency.

- Actions for teachers' training in implementing new curricula
- Actions for the training of teachers employed in all- day schools
- Actions for the teachers' training in the use of new technologies
- Training for certification on administrative efficiency

b. New curricula

- Compulsory Education: The pilot phase of the implementation of the new curriculum in compulsory education has been concluded and the full application is envisaged following the assessment of the pilot phase.
- Lyceum: The new curricula will have been developed by the first half of 2014.
- Vocational High School: Drafting will start in the second half of 2014.

Creation of a National Data Bank of Exam Topics (Law 4186/2013 Article 16)

With the creation of the National Data Bank of Exam Topics, a comprehensive system of assessment of learning outcomes is introduced which can be aligned with the objectives of the curriculum and can be used at multiple levels of the educational system (individual students, classes, schools, regions and throughout the education system). This action will start after the completion of the curriculum drafting for the Compulsory and lyceum education (*Second Semester of 2014*).

c. Evaluation and self-evaluation of educational work

Following the pilot implementation of the Action "Evaluation of the Educational Work of the school unit (EEW) - Self-Evaluation Procedure" and the Ministerial Decisions related to the generalization of Evaluation at schools, efforts will focus on monitoring and supporting schools for the effective implementation of the EEW through the IT infrastructure of the IEP, for instance the Observatory and the Information Network of EEW.

Actions completed in 2013:

- The publication of the Presidential Decree 152/2013 for the evaluation of teachers.
- The establishment of a Special Scientific Commission for the

preparation of training materials for staff involved in the evaluation.

- The establishment of the National Exam Agency, responsible for the organization of nationwide exams.
- The establishment of the Authority for Quality Assurance in Primary and Secondary Education (ADIPDE).

Actions Planned for 2014:

- The implementation of the evaluation framework (The evaluation procedure for Teachers is starting in September 2014)
- The organization and implementation of training programs for education officers
- Further development and strengthening of the role of the Independent Authority of Quality Assurance.
- Completion of the evaluation of education officers (May 2014)
- Completion of the evaluation of the Heads of Schools (June 2014)

d. Digital dimension

The Digital School Strategy is based on three main pillars:

- I. The creation of a single digital environment that will ensure better educational results.
- II. A better allocation of resources, by incorporating ICT as a tool for efficient administration and management of the educational system at both regional and central level.
- III. Ensuring that all participants in the educational process have equal access to digital resources.

For the support of the aforementioned main pillars, the following actions are already being implemented:

- Educational Platform and digital content
- Interactive media and classroom equipment
- Broadband connection in all school units
- Training of the educators in the utilization of digital media.

Actions planned for 2014:

- The completion of the enrichment of textbooks in all subjects
- The establishment of support groups for innovative educational work
- The completion of the procedures for the Digital School.

e. Zones of educational priority

The Ministry of Education, taking into consideration the provisions of the Law on the Zones of Educational Priority (ZEP) (No 3879/2010, art. 26) issued a Ministerial Decision defining the regions presenting the characteristics of the Zones of Educational Priority (ZEP), in which Primary and Secondary Education schools are placed, where the basic indicators of school integration (e.g. Synthetic Indicator of wellbeing and development, Indicator of educational level for adults aged between 33 and 43, Indicator of poverty danger, Total Educational Indicator) are low. The same applies to school networks that present high participation of special pupil groups (foreigners, roma or minority populations etc.). The Zones of Educational Priority are implemented in districts characterized by a low total education indicator, high drop-out levels and low university accession percentages.

ZEPs: a) are based on the notion of positive discrimination, b) promote a holistic approach to education (education comprises support to and from the local society) and c) constitute an effort to create a permanent institution in the context of the Greek educational system, in which districts and schools related to Sensitive Social Groups (SSG) will be incorporated based on local needs.

The Greek Ministry of Education, in order to support Primary and Secondary Education schools that are incorporated in Zones of Educational Priority (ZEP), implements, among others, the following actions:

- combating of school failure of repatriated and foreign pupils in Greek schools, so as to secure as far as possible equal education of these groups compared with their native counterparts, as well as their social integration
- Intercultural Educational Actions in Secondary Education, through the reinforcement of international cooperation

- Implementation of education actions in intercultural education in Secondary Education, through the reinforcement of international cooperation, which relate to the operation of ZEP Reception Classes and ZEP Supportive Tutoring Classes for pupils coming from Sensitive Social Groups (foreigners, repatriated, roma, Muslims etc.)
- Implementation of educational actions with a special emphasis on culture and with support of the integration in Primary Education schools of pupils coming from Sensitive Social Groups (SSG).

In 2013:

- There was a change in the planning of pilot programs and the enlargement/expansion of the programme in more School Units.
- Programs were added to facilitate the smooth transition of students.
- Nutrition programs instructed by nutritionists were implemented in ZEP schools.

Planning for 2014 includes:

- Recruitment of teachers and school psychologists
- Implementation of programs for
 - a. smooth transition of students,
 - b. co-education and nutrition seminars.

f. Vocational Training

By virtue of the law 4186/2013, the Schools of Vocational Training (SVT) were established with a view to provide initial vocational training services. In this respect vocational training can take the form of a 3 years apprenticeship scheme or other similar secondary (under the notion of the professional high school) and post-secondary courses. Participation is voluntary.

In addition, the ‘Apprenticeship Program for Graduates of Technical Education for gaining work experience’ aims at awarding scholarships to graduates of Technical Education in order to acquire working experience through apprenticeship over few months (from 2-6 months) in the productive sector and particularly in

business sectors related to graduate studies, so as to enhance the knowledge and skills and to facilitate their entry into the labour market.

g. Professional equivalence of the degrees awarded by foreign universities

Laws 4093/12 and 4111/13 include provisions for the recognition of professional equivalence between a higher degree of formal education in a Member State of the EU and a qualification gained within the Greek educational system, in cases where the provisions of Directive 2005/36/EC on the recognition of professional qualifications are not valid.

7.2 2nd Educational Target: 40% of young people aged 30-34 should have a higher education degree (national target: 32%)

The main policies towards achieving the tertiary education target include:

- Enhancing the accountability of the higher education institutes by introducing a new financing scheme and improving administration.
- Appointment of the Councils of Institutes comprising of internal as well as external members.
- Implementation of the “Athina” project with a view to consolidate higher education institutions through mergers and thus enhancing efficiency, quality of higher education and achieving economies of scale. In this respect, in 2013 the implementation of “Athina” led to:
 - a.the closing down of 4 universities and 123 university departments.
 - b.the election of the Management Councils.
 - c.the abolition of the so called “indefinitely studies” by requiring all students admitted before 2006 to complete their studies by June 2014.
 - d.the external evaluation of universities which is expected to be completed and published within 2014.

8. PUBLIC ADMINISTRATION

The Ministry of Administrative Reform and E-Government (MAREG) is implementing an ambitious restructuring of the public sector with a view to change the culture of the public administration, to make it more effective and efficient and to provide high quality services to citizens and businesses.

a. Streamlining the public sector

Downsizing: The government has applied different reduction rules in significant categories of employment in order to achieve a reduction in the number of employees in the public administration by 150,000 by 2015 with reference to 2010. More specifically, the rule implying 1 hiring per 5 retirements as well as additional nested restrictions were applied to permanent public servants. Taking into account the increased retirement rate, a substantial outflow with a very limited inflow were achieved. Temporary contracts were also reduced on a y-to-y basis by 50% in 2011, 10% in 2012 and 20% in 2013. As a result of the Kallikratis reform of the LGs, a one off reduction of 50% in the positions held by elected official was implemented. As of July 2013, monthly data on ordinary staff (full-time public sector employees) and other staff (contractual employees, political appointees, etc.) are being published on the MAREG's website. Finally, staffing plans have been adopted for approximately 590,000 employees.

Outsourcing: The government will undertake a comprehensive assessment of services that can be provided more efficiently and at lower cost by the private sector by end-December 2014 and outsource some of those activities, together with the abolition of the corresponding positions and staff by end-June 2015.

Mobility scheme: The government has placed 25,000 ordinary employees to the mobility scheme from July 2013 to April 2014. The whole administrative procedure proved to be quite complicated and demanded very close and continuous coordination of all parties involved. Employees placed in the mobility scheme have their wages reduced by 25 percent and are assessed, within a centrally-defined evaluation framework, before reallocation to new positions or exit. Staff is reallocated

to positions with the highest staffing needs, for instance, by transferring municipal police officers to the Hellenic police and school guards to hospitals, as auxiliary staff.

Census Database: It is envisaged that by September 2014, all employees paid by the wage bill will have been included in the census, including those in legal entities and state owned enterprises.

b. Closure/ merger of state entities

The new law voted in March 2014 provides for:

- The closure or merger of 23 public and private law entities.
- Closure of entities which have completed the purpose for their initial setting up and merging of entities with overlapping duties.

c. Permanent mobility mechanism

A new mobility scheme will be put into place. The new scheme will be a permanent mechanism for voluntary and mandatory transfers to better allocate personnel within the public administration. It will not be connected to exits, nor will it require placing employees under the availability scheme and reducing their remuneration. MAREG will establish by March 2015 an internal job market within the public administration, while implementing mandatory rotation within the public sector beyond the ongoing restructuring exercise to facilitate continuous renewal of skills. MAREG will amend the legislation of mandatory mobility, so that in case of refusal to assume the new position, the employee would be moved to the availability scheme.

d. Hiring plans

The government has defined its priorities for hiring new staff and has developed a robust appraisal framework. The new human resources strategy addresses a number of key reform issues, such as the recruitment of the senior managers, staffing plans, mobility scheme, training of civil servants, handling of disciplinary cases, etc.

New hiring through 2014 will remain within the 1:5 ceiling, and temporary employment contracts will be reduced by about 10 percent each year. In the case of mandatory exits (excluding outsourcing), the government will hire new staff (1:1 rule)

with critical skills to serve the public and ease the pressure in the private labor market, as long as this is consistent with the government's overall employment ceilings. The probation period of two years for the new staff will be strictly enforced, including through a comprehensive performance assessment at the end of the first year and in any case before granting permanent employment status.

e. Addressing Disciplinary Cases

A large effort has been made in the past year regarding disciplinary cases. After years of dysfunction, courts are processing files at a faster pace. The number of possible appeals has been reduced and sanctions are now more effectively applicable. Moreover, an ambitious program of inspection is being implemented and has started producing positive results.

Conversion of contracts: A structured and transparent process for the reevaluation of all cases of temporary employees who have secured permanent positions will be in place.

Fake documentation: A number of cases concerning fake or incomplete documentation have been identified. A "no tolerance" policy has been clearly communicated for the prevention of similar cases in the future.

f. Assessment of public sector personnel

A transparent and objective appraisal framework to improve individual performance and increase accountability and efficiency in the civil service will be soon set up.

The assessment of personnel will be standardized to a core procedure in the administrative spectrum.

A quota in the evaluation of civil servants has been introduced, that is a comparative evaluation in determining the maximum rates of civil servant performance per score scale. This will put an end to the current practice of having the majority of employees receiving the maximum possible evaluation score.

g. Top Management Selection Process

A new draft bill will be introduced to the parliament in April 2014 with a view to assess the roles, mandate and responsibilities of the senior managers and the political appointees while clarifying at the same time their respective roles.

Top management selection procedures will guarantee that senior civil servants are selected according to new expectations placed upon them: excellence in their work and ethics, a proven ability to lead and good communication skills. The revision of the selection process will include heads of departments, directors, general directors and general secretaries.

The new selection process will be executed in three phases:

- Criteria examination: Examination of whether the criteria of notice are satisfied. If not, the candidate will not proceed to the next phase.
- Written examination by ASEP (Supreme Council for Civil Personnel Selection): The form and content of the written examination designed by ASEP depends on the requirements of the advertised position and responsibility level of the position. A pre-set quota will apply, restricting the number of applicants proceeding to the next phase.
- Interview: Conducted by a council of trained members, it will be structured, so as to highlight the managerial abilities of the candidate

h. Simplification of administrative procedures

Steps already taken include:

- Removal of the requirement to submit original or certified copies in all transactions with the government.
- Abolishment of the requirement to publish annual accounts and company changes in Government Gazette (can be submitted to the General Electronic Commercial Register instead).
- Abolishment of other administrative requirements.

OECD initiatives: The drafting of the 13 reports, including recommendations for the reduction of administrative burdens was completed on February 2014 with the reports on Statistics, Pharmaceuticals and Telecoms. The early recommendations

(quick wins), as depicted in the first drafts of the reports, have already been incorporated into legal provisions and are included in the law voted by the Parliament in March. The drafting of legal provisions of a new omnibus law, implementing all OECD recommendations for reducing administrative burdens in the areas of VAT and Annual accounts/Company law, has already been launched.

Abolishment of public document authentications: Each year around 10 million such authentications are completed by Citizens' Service Centers (KEP). The abolishment of such duty will dramatically reduce KEP administrative burdens, increasing their operational capacity.

i. Citizens' Service Centers (KEP)

Online connection of KEP with public sector databases results in dramatic reduction of bureaucracy, repeat visits and service time. Citizens and businesses can now receive some of the most essential public sector services with just one visit.

First round of online services available today:

- Taxation clearance
- Insurance clearance
- Municipal Registers certificates

Next wave of online services to include:

- Inclusion in reduced rate electricity invoice
- Issue of e-voucher for Government services (e.g. passport issue)
- Issue of all relevant documents for conscription

j. E-government

E-government will be enhanced to design and build the tools necessary to deliver services to all citizens and businesses in a simple, efficient and innovative manner. A specific strategy will be designed to make the best use of funds and technology in a coherent and coordinated manner. E-government will be a catalyst for change in the Greek public administration. Starting from the needs of citizens and businesses and having identified areas of improvement, the administration will design

and build the necessary tools in order to deliver services to all citizens and businesses in a seamless, efficient and innovative manner. It will also provide more accessible information to citizens regarding the administration's initiatives and allow the public to get involved in the decision-making process.

E-government will also provide assistance to civil servants in their daily tasks. Extensive training will accompany the installation of new and more connected IT systems in all administrations and will help the civil service offer a more efficient, flexible and seamless experience to all citizens.

k. Open government

MAREG will introduce a set of open government initiatives aiming to reach the highest levels of transparency, accountability and citizen engagement within all levels of the Greek public administration and to establish a new "social contract" between the citizen and the state. There will be particular focus to the qualitative upgrade of the public services through citizen participation and to opening up the public sector information in order to provide applications and services with measurable positive effects on real people's lives, inspire innovation and stimulate financial growth. DIAVGEIA project will be extended to include both Parliament's expenses and political parties' state subsidies.

9. LABOUR MARKET – POVERTY

9.1 Employment rate target: 70% of population aged 20-64 be employed by 2020

Developments in the employment rate and labour market conditions

Key labour market indicators deteriorated in 2013; however, by observing quarterly data, signs of labour market stabilization emerge.

According to Labour Force Survey (LFS), the average number of employed (aged above 15 years) declined by 149.6 thousand people in 2013 against 2012 (i.e. a 4% y-o-y decline), following a 8% y-o-y drop in employment in 2012 versus 2011.

Overall, the impact of the recession on employment has been significant, as between the fourth quarter of 2008 and the fourth quarter of 2013, the total number of

employed (aged above 15) decreased by 963.9 thousand people (i.e. a 21.2% decline in employment). However, this employment decline was not accompanied by a decrease in the labour force – the labour force exhibited a marginal increase of 0.1% in the same period. It seems that, despite the reduced employment opportunities, individuals remain in the labour market in an effort to improve household income.

From the analysis of the EL.STAT³-LFS quarterly 2013 data, it can be inferred that the rate of employment decrease moderated and even some signs of stabilization prevailed; a trend that can be mostly explained by an increase in the recruitment notifications, according to data provided by the Labour Ministry's Information System "ERGANI" for the dependent employment flows in the private sector. Indeed, employment recorded a 1% increase in the second quarter of 2013 versus the first quarter of 2013.

The y-o-y decrease in the average number of employed persons in 2013 (by 149.6 thousand people) is mainly attributable to a significant decline in the number of salaried employees (by 107 thousand people, a 4.5% y-o-y drop against 2012). Salaried employees account for 62.8% of all employed people in 2013 (vs. 63.2% in 2012 and 64.6% in 2008) – this percentage is significant lower to the EU average (high rate of self-employment in Greece).

The number of self-employed who hire personnel fell by 9.4% in 2013 (or by 25.4 thousand people) and correspond to 6.7% to total employed, while the number of self-employed without personnel, which corresponds to a bigger part of employment than self-employed with personnel (25.6% in 2013 from 24.7% in 2012), decreased at a slower pace (0.5% or 4.6 thousand people). Moreover, the share of assistants in family enterprises declined marginally to 4.8% in 2013 from 5% in 2012.

Employment in 2013 declined in most of the economic sectors; indicatively we refer to wholesale & retail trade (-3.8% y-o-y drop or by 25.4 thousand people), manufacturing (-6.7% or by 24.1 thousand), construction (-17.9% or by 37 thousand) and accommodation & food service activities (-4.3% or by 11.9 thousand). On the other hand, employment increased in agriculture/forestry/fishing, electricity & gas sector, professional/scientific/technical activities and information/communication sector.

³ Hellenic Statistical Authority

As a result of all the above developments, the average employment rate in Greece (for people aged 20- 64) declined to **53.2%** in **2013** from 55.3% in 2012 and 64% in 2010.

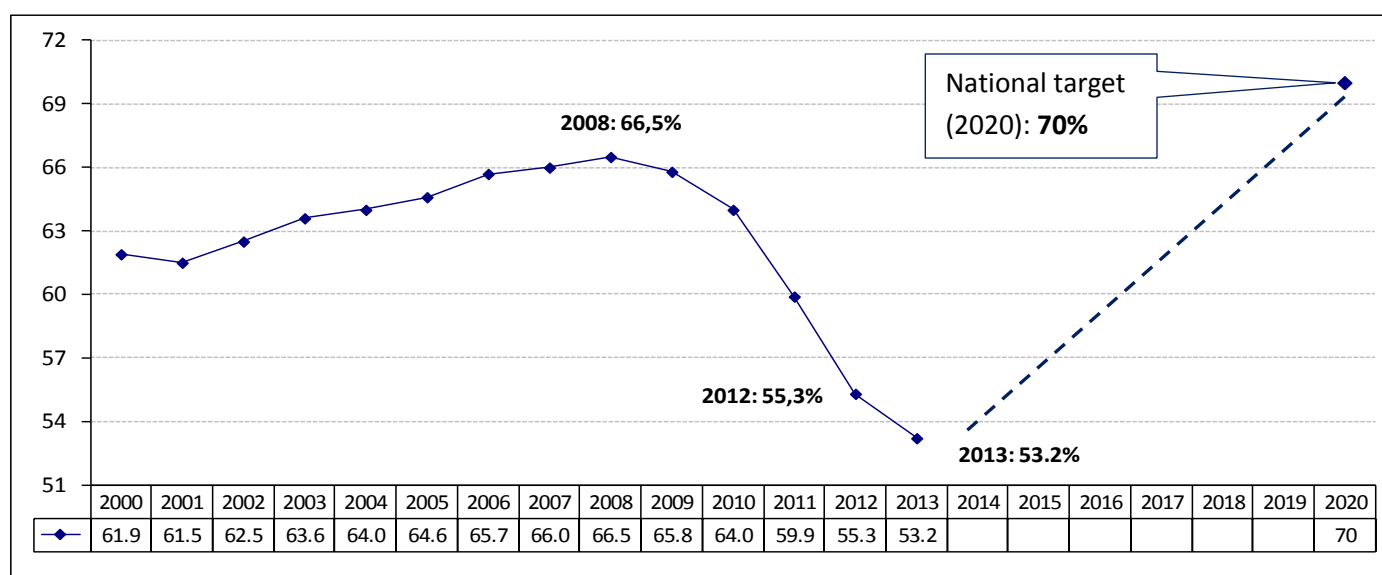
Employment rate (20-64 age group): 2013 quarterly data

	1 st quarter 2013	2 nd quarter 2013	3 rd quarter 2013	4 th quarter 2013
Employment rate (20-64)	53.0%	53.5%	53.5%	52.8%

Source: Hellenic Statistical Authority – LFS data elaboration

The 2013 employment rate figure of 53.2% (for the 20-64 age group) implies a 16.8 pps distance from the 2020 national target of 70%. Thus, the national employment rate target of 70% seems rather ambitious and could be characterized as not realistic, so any discussion on a possible target review is not seen as groundless. We recall that during the 2000-2008 period, when Greece exhibited positive growth rates, the employment rate (20-64 age group) recorded a 4.6 pps improvement [or a 2.1 pps improvement in the 2000-2010 period].

Graph: Employment rate evolution (20-64 age group) in Greece, 2000-2013 period, and the national 2020 target (%)



Source: Hellenic Statistical Authority – LFS data elaboration

As the number of employed persons declined in 2013, the number of unemployed (aged above 15) rose to 1.35 million people on average in 2013, i.e. a 12.4% y-o-y increase⁴. As a result, the average unemployment rate (ages above 15) rose to **27.3%** in **2013** from 24.2% in 2012 and 7.6% in 2008 – according to EL.STAT. data.

Unemployment rate (people aged above 15) – 2013 quarterly data

	1st quarter 2013	2nd quarter 2013	3rd quarter 2013	4th quarter 2013
Unemployment rate (ages >15)	27.4%	27.1%	27%	27.5%
Percentage of long term unemployed (>15)	65.6%	66.8%	71%	72%
Youth unemployment rate (15-24)	60%	59%	57.2%	57%

Source: Hellenic Statistical Authority – LFS data

Moreover:

- The share of “long term” unemployed (that is people who have been looking for a job for more than one year) to total unemployed people increased to 68.9% in 2013 from 61% in 2012 and 51.6% in 2011, according to EL.STAT.-data. The increase in the long-term unemployment rate raises concerns due to the fact that the longer the unemployment, the more difficult it gets to find a job (risk of skills deterioration / obsolescence).
- As regards the educational attainment level, the unemployment rate is higher among persons with the lowest educational attainment level [e.g. approximately 40% among people who have not attended school, against 15% among those with a post-graduate qualification]. Moreover, in the 2008-2013 period, the impact of the crisis and the recession has been particularly significant for people with lower educational attainment levels.
- By observing the unemployment rate for different age groups, we notice that the highest unemployment rate is recorded among young people aged between 15 and 24 years; 58.3% in 2013, against 55.3% in 2012 and 22.1% in 2008. High youth

⁴ It should be noted however, that this y-o-y increase in the average number of unemployed (i.e. 12.4% in 2013) is significantly lower than the previous y-o-y increases (37.3% in 2012, 39.5% in 2011, 33.5% in 2010 and 24.7% in 2009), showing a deterioration in the annual rate of increase of yearly average unemployed.

unemployment rate is not a new phenomenon in Greece; what is new is the rampant rise to the unprecedented, alarming levels. However, according to EL.STAT. quarterly data, we observe a decline in the youth unemployment rate (15-24 age group); [from 60% in the first quarter of 2013 to 57% in the fourth quarter of 2013] – which is an encouraging development. Greek young people in the 15-24 age group exhibit lower activity rates than older people (among the lowest in the EE-27, young people in Greece do not combine studies with work).

An issue of concern is that the percentage of NEETs in Greece (youth typically aged between 15 and 24 years who, regardless of their educational level, are disengaged from work, education and training) increased over the last years, from 11.7% in 2008 to 20.3% in 2012 and 20.6% in 2013. NEET people face a higher risk of labour market exclusion, poverty, social marginalization and social exclusion.

According to estimates by European and international organizations, a decline in unemployment rate is expected from 2014 onwards. Programmes of employment support and training programmes as well as the structural reforms that have been implemented in the labour market are expected to contribute to this projected decrease of unemployment, along with the recovery of the Greek economy.

9.2 Reforms in the labour market

9.2.1. Reforming the minimum wage setting system: a new wage setting mechanism

The reform of the statutory minimum wage framework at the national level aims at strengthening the state's role in setting minimum wages with the aim of promoting employment /fighting unemployment, improving the competitiveness of enterprises and ensuring a minimum level of income for workers earning the minimum wage.

According to Law 4172/2013, the statutory minimum wage will be set by the government, after consultation with the social partners and taking into account the

scientific and technical input provided by independent research bodies and experts. The new wage setting mechanism will come into force in 2017.

9.2.2 Reducing average social contribution rates by 3.9 percentage points from their current levels

After the reduction of social security contributions by eliminating employer contributions for O.E.K & OEE as non-wage costs by 1.1 percentage points from 1/11/2012 (Law 4093/12), further reduction (from 01/07/2014) of social security contributions by 3.9 percentage points from their current levels-as provided in the updated Memorandum of Understanding (July 2013) -is foreseen in by Law 4254/2014.

The reduction of social security contributions (2.9 percentage points for employers and 1.0 pp for workers) will relieve employers from significant costs and offer a small increase in wages to workers. This arrangement seeks to facilitate new recruitments and improve the competitiveness of enterprises by reducing non-wage labour cost.

9.2.3 Reforming the regulatory framework in the areas of the temporary employment and the re-structuring of companies

The new institutional framework seeks to strengthen efforts on restructuring companies in order to maintain their sustainability while avoiding conversion of permanent jobs to temporary jobs. In this respect, a time period of 3 months before a firm can dismiss employees and at the same time hire new ones from temporary work agencies has been maintained. At the same time, with a view to reduce the restrictions on temporary employment, the regulations which provided for the use of temporary employment only in order to accommodate seasonal demand were abolished.

9.2.4. 'ERGANI' Information System

The 'ERGANI' Information System - firstly launched on March 1st 2013 - records electronically the flows of contractual employment in the private sector of the

economy providing real time information on the labour market dynamics for every region across the country. Submission of employment data is obligatory for all employers.

'ERGANI' is a valuable tool for collecting statistical data and a mechanism for the qualitative upgrading of planning, the strengthening of employment and social security policies effectiveness, the labour market needs diagnosis and the fighting of undeclared work. 'ERGANI' together with the other information infrastructures which became operational last year ('HELIOS', 'ARIADNE', 'ESTIA', 'ATLAS') constitute innovative structures that reinforce the strategic and interventional role of the Ministry. On the basis of an OECD study regarding the reduction of administrative burdens, further updates and enhancements in 'ERGANI' are envisaged.

9.2.5. Simplifying procedures and reducing the administrative burden on businesses

Regarding the simplification of procedures and the reduction of administrative burden for businesses, a number of measures have been adopted towards the modernization of the functions of the Ministry and the qualitative provision of services to workers and employers:

- Simplification and electronic submission of labour reporting requirements by employers to the Greek Manpower Employment Organization (OAED) and the Labour Inspectorate (SEPE). (It covers *inter alia* changes in the employees' time schedules, health and safety issues, and new recruitments).
- Electronic submission of all social security contributions for main, supplementary insurance and lump-sum pensions through a single form.

In addition, a new single Labour Code will be prepared on the basis of a report on the structure of the new unified code which has already been drafted. The new single labour code will codify the existing legislation with a view to strengthen the

transparency and enforceability of the labour law and reduce the administrative burden and compliance costs for firms.

9.2.6. Fight against undeclared work

A comprehensive strategy has been developed giving special emphasis on ensuring legality in the labour market and in particular on tackling undeclared and uninsured work. Main reference points of this strategy include:

- The planning and implementation of the integrated operational plan 'ARTEMIS' to combat undeclared work across the country.
- Systematic and targeted inspections for labour law violations. The 'ERGANI' system is helping in prioritizing inspection to sectors and activities with high delinquency.
- The imposition of high –on the spot- fines as a means of discouragement. Indicatively, a fine of 10,550 per undeclared employee will be charged to employers. According to preliminary 'ERGANI' data, a part of the declining trend in undeclared labour can be attributed to this deterrent policy.
- The collaboration between the state inspection bodies: Inspections for undeclared work are being conducted by joint teams consisting of the Labour Inspectorate, the Special Insurance Inspection Body (IKA-EYHIEA) and the Financial Police with a view to address delinquency in the labour market and support Labour Inspectorate in its work.
- The strengthening of the control mechanisms of the Ministry of Labour by:
 - expanding the competence of the Special Insurance Inspection Body (IKA-EYHIEA) to examine not only cases of uninsured labour but also undeclared work. (Law 4255/2014)
 - implementing the Labour Inspectorate Action Plan: The independent assessment of the Labour Inspectorate, carried out by the International

Labour Office in collaboration with the Labour Inspectorate (SEPE), has been completed. An Action Plan which sets objectives, time schedule, roles and responsibilities based on the recommendations provided by the Evaluation Report, has been prepared, aiming at strengthening the fight against undeclared work and raising the effectiveness of the Labour Inspectorate.

Evaluation of actions

According to the results of targeted inspections for undeclared work conducted by joint teams by the Labour Inspectorate and the Special Insurance Inspection Body, mainly in sectors and activities with high delinquency rate, the recorded uninsured labour shows a large decrease. More specifically, while the percentage of uninsured work in February 2013 reached 40.47%, it fell at 18.95% in December 2013, which was also reflected in the SSC revenues of the insurance funds.

9.2.7 Supporting former self-employed

The freelancers and self-employed have been particularly affected by the crisis and the prolonged recession. In an effort to create a comprehensive and effective safety net for these professionals, the government modified the terms and conditions for the payment of unemployment benefits to freelancers and self-employed (Ministerial Decision No 10035/ 1239/63/27.1.2014), increasing the number of beneficiaries by extending the payment of this unemployment allowance to those who have made arrangements for paying their social contributions (professionals that were excluded from the previous provision)

9.2.8 Supporting long term unemployed

A joint Ministerial Decision (no. 44137/613/18.12.13, following Law 4093/2012) has been issued changing the age and income criteria for long term unemployment benefit (effective as of 1/1/2014) – in an effort to strengthen the social safety net for the most vulnerable social groups. Additionally, the maturity allowances for long-term unemployed are reduced in order to facilitate their reintegration in the labour market.

9.3 Employment Policies

A broad set of active labour market policies are implemented mainly through the Greek Manpower Organization (OAED) to form the main axis of the overall employment strategy. They are classified according to the age group, the education level and the needs of the unemployed, while in certain cases; emphasis is given on the sectoral and geographical targeting. Tackling youth unemployment is at the epicentre of employment policies.

9.3.1 Employment policies for youth

Youth Employment Action Plan

A coherent **operational programme under the title: “Action Plan with targeted interventions for the enforcement of the employment and the entrepreneurship of the youth within the National Strategic Reference Framework”** was established in February 2013 in order to tackle high youth unemployment rate. The main goal of the programme is to promote specific policy measures for strengthening youth employment and entrepreneurship in the age cohorts 15-24 and 25-35. The respective program is specifically focused on the following thematic priority areas:

1. Job creation for young people, relatively to their typical qualifications.
2. Reinforcement of vocational education and training and of apprenticeship schemes.
3. Establishment of school-to-work programs that promote the acquisition of working experience.
4. Reinforcement of counselling and career guidance for young people and facilitation of the career guidance provided at school.
5. Strengthening young entrepreneurship by focusing on new/innovative products, services and entrepreneurial sectors.

The Youth Action Plan envisages specific measures to promote the integration of young people into the labour market. In this respect, a special voucher for entering the labour market aiming at 46000 beneficiaries has been established and incorporates

a specific financial value that can be exchanged exclusively with services from certified training providers. After the completion of the training the beneficiaries are placed into companies/businesses for a training period of up to 5 months. Through the Greek Manpower Organization (OAED) employers can be subsidized to hire the former voucher beneficiaries on a full-time basis for a supplementary period of 6 months.

Additionally, a funding programme for supporting 2.000 unemployed young people up to 35 years old, aiming at enhancing young entrepreneurship, is already operational. In this context, priority is given to the development of innovative economic sectors. During the implementation of the programme, the beneficiaries have to complete a compulsory mentoring program to support their entrepreneurial initiative.

Moreover, a programme for gaining working experience is implemented, aiming at hiring 7200 unemployed graduates. The duration of the subsidy is 24 months, while employers have to keep the staff employed for at least three more months after the completion of the subsidy.

Youth Guarantee

The National Youth Guarantee Implementation Plan (YGIP) was submitted to the European Commission (EC) at the end of 2013. Updates in the YGIP are currently taking place following the comments by the EC.

Once the Youth Guarantee scheme becomes fully operational, it will ensure that all young people up to 25 years old, who are neither in employment, nor education or training, will receive a good quality offer of employment, vocational training, apprenticeship or traineeship within four months of leaving official education or becoming unemployed.

The actions of the Plan are divided into two basic categories: a) Early intervention and activation: Early intervention and activation is mainly focused on prevention as well as on supporting young people who are neither in employment, nor education or training (NEETs) so as to effectively improve the situation of NEETs and to avoid the impact of long-term exclusion from education/training or the labour market b) Labour market integration: Actions of this category are focused on measures for gaining access to education, training or employment, so as to offer the unemployed the opportunity to achieve normal labour market access. The actions

planned are divided into 5 categories: traineeship and apprenticeship, work experience, enforcement of self-employment schemes, skills improvement and re-integration into education.

Establishing partnerships constitutes an important innovation element of the plan. In this context, as part of the Youth Guarantee the Ministry of Labour has been working together with all relevant stakeholders, (e.g. other Ministries, local governments, social partners and youth associations). The funding of the Youth Guarantee scheme will mainly come from the Youth Employment Initiative and the European Social Fund.

9.3.2. Vulnerable social groups

In the field of active labour market policies, special attention has been given to the vulnerable social groups through designing and implementing specific actions. For instance, a special three-year programme has been implemented, aiming at recruiting 2,300 unemployed people with disabilities, ex-addicts, ex-convicts, young delinquents or young people at social risk. Moreover, a subsidy programme for 800 new entrepreneurs with disabilities, ex-addicts and ex-convicts aged 18-64 years was launched.

Special care has also been given so that the workplace becomes accessible and functional to people with disabilities. Another subsidy programme regarding disadvantaged and severely disadvantaged unemployed (the unemployment period exceeds 24 months) that belong into specific categories is also in force through the PES. This particular programme has duration of up to 12 months or alternately from 12 to 24 months for those severely disadvantaged. The subsidy amounts to 55% of the gross monthly earnings and of employers' contributions while the maximum daily wage amounts to EUR 24 or to EUR 600 monthly salary for the employees.

9.3.3. Supporting older people

Policies to support the employment of older people include measures pertaining either to older people as a part of the general population or exclusively to them. This is the case of wage subsidy schemes financed by the Social Partners Fund (LAEK-Account for Employment and Vocational Training). Under this scheme, private sector enterprises are subsidized in order to hire unemployed persons who are

close to retirement. The period of subsidy ranges from 1 to 60 months and the amount of subsidy covers approximately 40% of the wage bill. Older workers can also benefit from a placement program for 5.000 unemployed workers aged 55-64 in enterprises of local authorities. The program entails the subsidization of local authority development enterprises in order to hire 5.000 older unemployed workers.

9.3.4. Broadly targeted actions

Given the prolonged recession in Greek economy, which has negatively affected the figures of employment and unemployment, employment programs of Public Work are developed and implemented. Through these programs, the unemployed are hired in full-time employment for a period of five (5) months, in Municipalities, Regions, Directorates of primary and secondary education and other public services, under Law 4152/2013. These programs aim to improve the economic situation of the unemployed, effectively support of vulnerable groups, cover social needs and enhance services provided to citizens.

There is another action implemented through the Greek Manpower Organization (OAED) concerning a subsidy program for enterprises hiring 10,000 unemployed, aged 30-66 years. The total duration of the program is set at twelve (12) months and its budget will amount to a total of 54,000,000 €.

Furthermore, a program for the harmonization of family and professional life in order to support access of women in the labour market through Daily Care Centers is in force; the respective program has approximately 190,000 beneficiaries. Addressing the structural adjustment of those in precarious jobs, a series of training programs is also implemented.

9.3.5. Enhancing local employment

Local Plans for Employment (TOPSA) as well as Local Actions for Integration of Vulnerable Social Groups (TOPEKO) are implemented in certain regions that are adversely affected by the crisis.

Those plans and actions, concerning more than 42,000 beneficiaries, focus on job creation through activation and mobilization of local actors across the country,

aiming to ensure the creation of jobs for unemployed and unemployed persons belonging to vulnerable social groups.

The program includes actions such as initial and further training, training in private companies, business plan development, as well as targeted research and evaluation services for new business start-ups, support for legal and tax issues. In particular, job vacancies arise from specialized diagnosis of local needs and the emergence of their development potentials. At the same time, OAED (Greek Public Employment Service) implements a subsidy program for businesses hiring 10,000 beneficiaries of the actions “*Local employment plans tailored to the needs of local labour markets*” and “*Local actions for social inclusion of vulnerable groups*”. The purpose of the program is to subsidize businesses to recruit, full-time, 10,000 beneficiaries having participated in those actions.

9.4 Poverty Targets

The Greek Ministry of Labour, Social Security and Welfare has set up three national targets in October 2010:

- 1) Reduction in the number of people at risk of poverty and/or social exclusion by 450.000 by 2020 which means a reduction of the at-risk of poverty and/or exclusion rate from 28% in 2008 to 24% in 2020.
- 2) Reduction in the number of children (0-17 years) at -risk-of poverty by 100.000 until 2020, which is translated into a reduction of at-risk-of poverty rate for children (0-17) from 23% in 2008 (EU-SILC 2008) to 18% in 2020.
- 3) Development of a “social safety net” against social exclusion, which includes access to basic services, such as medical care, housing and education. This specific objective is not quantified, but highlights the need and willingness of the State to increase access to basic services in the framework of the third pillar of active inclusion policy.

According to the most recent available statistical data from EU-SILC⁵, the rate of people at risk of poverty and/or social exclusion rose to 34.47% in 2011 (EU-SILC 2012) from 28.1% (EU-SILC 2008). In other words, people at risk of poverty and/or

⁵ The reference year is the previous calendar year from the one in which the survey was conducted. For reasons of accuracy, when mentioning the year for a result in this section, this is the actual income reference year.

social exclusion increased by almost 750.000 between 2007 and 2011 (from 3,046 thousand to 3,795 thousand).

The breakdown of this headline indicator reveals a significant deterioration in all three parts of it (risk of poverty rate, severe material deprivation rate and people in households with very low work intensity rate). During the same 4-year period, the at-risk-of poverty rate increased by 3% (from 20.1% to 23.1%), as a result of 345,000 more people recorded below the poverty threshold (the poverty threshold being the 60% of median equivalised income) despite the recent downwards trend of thresholds (after a short-term increase till 2009). For a single person, the poverty threshold decreased from €6,480 to €5,708 while, for two adults with two children 0-14 years old, it came down from €13,608 to €11,986.

The course of the severe material deprivation rate plainly depicts the sustained hardship hit upon large population groups, more prominently than the aforementioned relative measure. The severely deprived people rose by almost 930,000 between 2011 (EU-SILC 2012) and 2007 (EU-SILC 2008), with more than half of them recorded in the 2010-2011 period. The respective rates were 19.5% and 11.2%. In just one year (2010-2011) this percentage sharply increased by 28.3%.

With respect to the people living in households with very low work intensity, after a period of fluctuation around 7.5%, the rates started to aggravate from 2009 onwards, reaching 7.4% in 2007 (EU-SILC 2008), 11.8% in 2010 and 14.1% in 2011 (EU-SILC 2012).

These indices are even more worrying for children and the young. The percentage of people aged 0-18 years, living in households with very low work intensity, almost doubled between 2007 and 2011 (3.9% in EU-SILC 2008 and 7.6% in EU-SILC 2012). This pattern also applies to the rates of the people under 18 years facing severe material deprivation (10.4% in EU-SILC 2008 and 20.9% in EU-SILC 2012). Moreover, the at-risk-of poverty or social exclusion rate rose at the same period by 6.7 points, with most of this change recorded in the last year (28.7% in SILC 2008, 30.4% in EU-SILC 2011 and 35.4% in EU-SILC 2012).

Concerning the target of fighting the risk of poverty for the young, the respective rate started likewise to show signs of steep increase between 2010 and 2011 (according to the EU-SILC 2011 and the EU-SILC 2012 results), following a period of rather stagnant percentages around 23% and 23.7%. The rate was 23.0% for the 2007 incomes (EU-SILC 2008), 23.7% in 2010 and climbed up to 26.9% in the

following year. In terms of absolute figures, since 2007 about 78,000 more young people and children went below the poverty line, increased by almost 18% (443,000 in EU-SILC 2008 and 521,000 in EU-SILC 2012).

The severe deterioration of key social trends, clearly marked between 2010 and 2011, is to be continued, according to recent microsimulation data, as illustrated in the EU Employment and Social Situation Report, Quarterly review, published by the European Commission in March 2014. These forecasts estimate that a further increase of the poverty risk rates by 1.8% will occur in Greece between 2011 (the last year with available EU-SILC data) and 2013, even though the poverty threshold is projected to continue its dramatic decline (by 20% between 2011 and 2013).

In this respect, it is evident that the tendency is to diverge rather than to converge to the Europe 2000 poverty and social exclusion targets set in 2010. Efforts should be made to reverse this situation, along with a likely revision in the targets in 2015 in order to become more realistic.

9.5 National Policies

Main actions:

- The Ministry of labour, Social Security and Welfare with the technical support of the World Bank is preparing the minimum guaranteed income benefit which will be pilot tested in 2014 in two areas of the country. The programme is addressed to individuals and families living in conditions of extreme poverty, providing beneficiaries with income support, in combination with social reintegration activities and is run in addition to the policies for combating poverty and social exclusion that apply each time. The results of this pilot programme will be used to design the permanent minimum income scheme (to be implemented in 2015).
- The Green Paper on National Strategy for Social Inclusion is completed. This paper will be the basis on which the national strategy on social inclusion will be designed. This strategy, after consultation, will lead to the National Social Inclusion System.
- Activation of the Systemic Intervention 5 “Supporting the mechanism for the effective monitoring and implementation of the social inclusion and social protection

policies and of the implementation of integrated interventions for the development of the social care national system”.

- Promotion and effective implementation of the National Action Plan for Corporate Social Responsibility.

10. RESEARCH AND DEVELOPEMENT

10.1 R&D earlier – set target: 0.67% of the GDP for R&D. New estimated target: 1.21% of the GDP

In the mid 2013 the survey for the recording of the data concerning Research & Development for the reference year 2011 was concluded. This survey, bridging a significant gap since the previous one was conducted in 2007, revealed a new and more optimistic aspect of the research ecosystem of Greece. The data showed that despite all difficulties stemming from the austerity environment, the research ecosystem not only resists but shows significant increase in the business sector.

More specifically:

- The Gross domestic Expenditure for Research and technological Development (GERD) increased by 3.4% in absolute values between years 2007 and 2011. As a percentage of GDP and due to the reduction of GDP, this increase was even more pronounced from 0.60% in 2007 to 0.67% in 2011.
- The Business expenses for Research and technological Development (BERD) raised significantly by 26.7% in absolute values while as a percentage of GDP, it reached 0.23% in 2011 from 0.17% in 2007.

Provisional data for 2012 showing a further increase in the GERD by 0.69% of GDP indicate that the aforementioned improvement follows a sustainable path. On this basis and given the other relevant factors presented below, **the GERD is estimated to reach 1.21% by 2020** (detailed breakdown of the financing path is provided in **Appendix 1**). It must be noted that this target reflects the overall national effort and should not be considered as a target for the Partnership Agreement (PA) 2014-2020, since the percentage of the relevant funds planned for R&D in the PA is less than 15% of the total funds.

The key drivers behind the ambitious revision in the GERD include:

1. The preparation of a National Strategic Plan for Research & Innovation which, using the increased national and European funds, will contribute towards overcoming the economic crisis and boosting the competitiveness of the economy. National funding will follow an incremental trajectory, starting from €50 million in 2014 and reaching €600 million in 2020. The total funds for the seven year period are estimated at approximately €2 billion and the annual national budget burden will remain as low as 0.27% of GDP in 2020 and 0.03% in 2015.
2. The increased funding provisioned in the PA for Research, Technological Development and Innovation compared with the current NSRF 2007-2013. Funds for Thematic Objective 1 (Research & Innovation) are estimated to reach €1.25 billion and when coupled with the national contribution will reach €1.5 billion, a 50% increase compared to the amount initially earmarked for R&D in the framework of the current NSRF.
3. The 30% increase in the Horizon 2020 budget compared with the FP7.
4. The increased funding of R&D activities by the enterprises. Data from the survey of year 2011 indicate that it is more apparent now to enterprises that competitiveness can only be boosted through increased funding of Research & Innovation. These words are the new buzzwords among enterprises, associations of enterprises, new start-ups etc. As a result, the public funding mentioned above is expected to leverage increased funding from the private sector expected to reach 0.38% of GDP in 2020 starting from 0.21% in 2011.
5. The achievement of a greater than forecasted primary surplus for the year 2013 and the projection for a sustainable sequence of surpluses in the forthcoming years. A small fraction of the positive fiscal outcome is envisaged to constitute part of the national R&D funding.
6. The projected favourable growth conditions which will set the basis for a better funding environment.
7. Smart Specialization which creates a positive environment for R&D activities in national as well as regional level
8. The stabilization of salaries and annual budgets of PRCs and HEIs.
9. The adoption of the new Law for RDI which promotes RDI activities

10.2 Main policies to achieve the above mentioned R&D intensity target

1) Preparation of a new national strategic plan for research and innovation (ESPEK) in view of the new programming period.

The drafting of the new legislative act for research is in coordination (the public consultation of which ended on 31/12/2013) with the preparation of the national research and innovation strategy so as to make provisions to facilitate the future implementation of the RDI strategy. Funding of ESPEK is provisioned from national as well as other European funds (Structural and Investment Funds).

It must be noted that Structural and Investment Funds are practically the sole sources of funding by which GSRT (and the Government in general) can promote R&D policies. In the new programming period 2014-2020 funding of RDI activities from national funds will be pursued. Therefore, the rational utilization of the national as well as the ESIF funds is significant for the increase of R&D expenditure by 2020. ESIF legislation commands (conditionality) the existence of a national smart specialization strategy, regarding thematic objective 1 (Research & Innovation), for the approval of Operational Programs for new programming period.

Specific measures:

- Acceleration of the implementation of NSRF. Improvement of the management capacity of GSRT through the simplification of the legal framework for RDI programs (ongoing).
- Securing the proposed conditionality in the new programming period 2014-2020 concerning R&D.
- Preparation of an Operational Program for Research and Innovation in the new programming period 2014-2020 – Inclusion of new measures with an emphasis on promoting investments on RDI from the private sector, taking into consideration the effectiveness of the applied measures so far.
- Preparation of a new administrative management system on RDI for the new programming period 2014-2020.
- Creation and adoption of a stable framework for measuring and evaluating research results.

2) Enhancing the human R&D potential

- Specific Actions are implemented in the framework of the NSRF (2007-2013). In 2013 the following calls for proposals were launched: “Supporting enterprises for recruiting research personnel”, “Financing research proposals which were positively evaluated in the 5th Call of ERC Grants Schemes”. The Actions, “ARISTEIA (Excellence) I”, “ARISTEIA II”, “Financing research proposals which were positively evaluated in the 4th Call of ERC Grants Schemes”, “Supporting post doctoral researchers-(POSTDOCs)”, “Supporting enterprises for recruiting high level scientific personnel”, are still in progress.
- Through the above programmes emphasis is given to supporting new researchers being at the beginning of their research career so as to produce high quality research and gain autonomy in their work.
- In 2014, after the approval by the EC of the Partnership Agreement, certain measures are planned to support the human potential and inhibit the brain-drain symptom such as the programme for “supporting enterprises for recruiting high level scientific personnel” which has been funded through the NSRF in the past and will be re-launched following the positive reaction by the enterprises.

3) Strengthening the national research system and promoting optimal use of available resources

- In the framework of National Strategic Reference Framework (NSRF) 2007-2013 the Action «Proposals for the Development of the Research Centres-KRHPIS» aims at enhancing the strategic research choices of public research centres supervised by the GSRT and the Greek Atomic Energy Commission, improving their basic research activities and their international competitiveness, as well as the quality of their products and the offering services, and consequently at supporting their viability.
- For fostering the participation of the Greek research community in the European ESFRI infrastructures, a relevant call has been announced and

Regional funds have been utilized for the support of regional research infrastructures.

- A National Strategy and a National Roadmap for large research infrastructures is under finalization, aiming at the upgrade of already existing infrastructures and the establishment of new ones. These infrastructures will support the implementation of the smart specialization strategy. Creation of synergies between research centres, universities and technological educational institutes is one of the key elements of this policy.
- Elaboration of the restructuring of the research system and creation of a flexible organization structure for research and technology organizations (a federated scheme is envisaged) that will lead to synergies and economies of scale, structural networking and increased mobility of researchers as well as a better utilization of public infrastructure and resources (through a bottom up approach).
- A national strategy for research infrastructures and a national roadmap are being drafted for the upgrade of already existing infrastructures and identification for the creation of new Research Infrastructures. Deep networking between research centres, universities, technological educational institutes and the business sector is among the main objectives of the above strategy.
- Under the provisions of the Law 4051/2012, research institutes were merged in order to create critical mass and economies of scale. As a result the previous 56 institutes were merged into 32.
- In the framework of the preparation of the new programming period 2014-2020, measures are examined to enhance the demand of research and innovation services by Ministries or Regional Authorities, as well as to boost the role of the research centres in the regional development.

4) Mobilization of the private sector for an increased participation in RDI activities and exploitation of new knowledge.

- Specific actions taken so far with a view to improve the framework conditions that will enable private investments in R&D:
 - Simplification of procedures in order to remove obstacles for research and innovation activities. The results of the study financed by the GSRT «Proposals to remove obstacles to the commercial exploitation of firm's innovation» should be taken into consideration in drafting the new measures. In this context Law 4156/2013 supports enterprises in issuing letters of guarantee.
 - A public consultation of the new Law on RDI was concluded in December 2013. The aim of the Law is the creation of a friendlier environment for the enhancement of RDI and the exploitation of the new knowledge.
 - Amendment of legislation to improve the design and implementation of tax incentives, which constitute an important instrument for boosting RDI activities. In this context Law 4110/2013 provides for more advanced tax incentives starting from 2014.
 - New investment law.
- Continuation and speeding up of the implementation of Actions in the framework of NSRF (2007-2013) with emphasis on the enhancement of RDI investments of the private sector (ongoing). The following Actions addressing the business sector were launched in 2013:
 - “Promotion of Industrial Research & Technology 2013”
 - “Bilateral R&D cooperation between Greece and China 2012-2014”
 - “Bilateral R&D cooperation between Greece and Germany”
 - “Bilateral R&D cooperation between Greece and Israel”
 - In 2013 the Action “Supporting enterprises for recruiting research personnel” was also launched.
- Specific reference should be made to the Actions:
 - **PAVET 2013.** The Action aims to support R&D activities conducted by dynamic enterprises that will lead to added-value products and services. With a budget of €19.8 million, the Action puts emphasis on R&D activities on specific thematic priorities that the country has a comparative advantage like, Agriculture, Food, ICT, Pharmaceuticals,

Environment etc. Collaboration between enterprises and research organizations is also promoted.

- **Supporting enterprises for recruiting high level scientific personnel** aiming at improving the labour market access of researchers and boosting demand for high-level skills in enterprises. The budget amounts to €9.5 million and covers the salaries of the researchers and the technical staff for a maximum period of 3 years.
- Preparation of new measures to be implemented in the new programming period 2014-2020 with emphasis on:
 - Stimulating R&D investments of the private sector in sectors where the country has a comparative advantage (according to national/regional Smart Specialization Strategies).
 - Creating new enterprises with a research orientation.
 - Drafting new financial instruments for R&D and innovation.
 - Taking measures to strengthen the links between universities/research institutions and the private sector.

5. Measures to support the Greek research community for an increased participation in the framework programs of EU (Horizon 2020) and to promote the international outreach of the Greek R&D entities.

The networking of the Greek Research and Innovation system with other countries must be reinforced. For this reason, special emphasis is given by the Greek government in the Reinforcement of the extroversion of Greek research teams through bilateral and multilateral country agreements on R&D.

In the framework of the National Strategic Reference Framework (NSRF) 2007-2013 the following Actions were launched in 2013, making use of the tools of the European Research Area (ERA) or reinforcing the extroversion of Greek research teams through bilateral R&D Cooperation:

- “Actions supporting Greek organizations which participated successfully to the joint Calls for proposals of the ERANETS

- (ERANET 4th Call)”, “Bilateral R&D cooperation between Greece and China(2012-2014)”,
- “Bilateral R&D cooperation between Greece and Germany”,
- “Bilateral R&D cooperation between Greece and Israel”,
- “Bilateral R&D cooperation between Greece and Cyprus”
- “Bilateral R&D cooperation between Greece and France II 2013”
- “Bilateral R&D cooperation between Greece and Turkey (2013-2014)”

Moreover Actions launched in precedent years are still in progress: e.g. “Supporting the participation of Greek organizations to the 2nd and 3rd European Call of the Joint Technology Initiatives ENIAC and ARTEMIS” and Actions aiming at the reinforcement of the country’s participation in the construction phase of the ESFRI (European Strategy Forum for Research Infrastructures) /2006 research infrastructures

In the new programming period special emphasis will be given on:

- The support of Greek researchers to European R&D programs (HORIZON 2020, COSME) as well as other transnational organisations (ESA, EMBO, CERN).
- Securing the national contribution (Matching Funds) aiming at the support of the Greek participation in the Framework Programmes.
- Further utilization of the tools of the European Research Area (ERA) for the coordination of national policies and the joint funding of R&D projects on specific sectors along with other Member States.
- Reinforcement of the country’s participation in the construction phase of the ESFRI research infrastructures based on a national strategy and roadmap for infrastructures. (ongoing)
- Further support of the extroversion of Greek research groups through bilateral and multilateral agreements on R&D (ongoing). Part of the existing bilateral calls will be modified according to latest calls with wider participation and greater budget promoting synergies between PRCs/HEIs and enterprises.

- Exploit the synergies between Horizon 2020 and Structural Funds in order to further improve the successful Greek participation in Framework Programmes.

6) Promotion of systematic cooperation between different ministries for a strategic approach of the planning of research activities.

In the framework of the drafting of the National Strategy for Smart Specialization, cooperation has been developed with other Ministries responsible for certain economic sectors (Tourism, Health, ICT, Environment etc) as well as with regional authorities. This cooperation should be systematized in the future.

The specific policy will permit a better exploitation of ESIF Funds as well as the available national funds with a view to increase R&D investments as well as a better coordination of different policies having an impact on the country's RDI system.

11. ENVIRONMENTAL TARGETS

11.1 The roadmap for achieving the Europe 2020 energy targets

Greece's commitments towards the higher penetration of RES in the Greek energy system and improvement of energy efficiency in end use have been transposed to a series of regulatory initiatives and support programs put in place during the last years⁶, as presented in detail in the respective national action plans. In particular, measures have been implemented to promote and support the development and use of renewable energy in electricity, heating and transport, and to achieve energy savings through the improvement of energy efficiency and rational use of energy in all sectors of final consumption, focusing on buildings and transport⁷. The transition to a low

⁶ L.4062/2012 and L.3851/2010 for the transposition of Directive 2009/28/EC, L.4122/2013 for the transposition of Directive 2010/31/EC, L.3855/10 for the transposition of Directive 2006/32/EC and other related acts (L.4001/2011, L.4067/2012)

⁷ Such as the "exoikonomisi kat'oikon" program that supports energy efficiency interventions for the energy upgrade of the building envelope and the upgrade of heating systems of existing residential buildings, as well as

carbon economy is a priority axis in the design of the Greek development program until 2020; the achievement of the national energy objectives⁸, environmental protection and the optimum exploitation of domestic RES natural resources will contribute to the improvement of the Greek economy competitiveness, to the creation and maintaining of jobs of various competences, and the protection of consumers.

11.2 Renewable Energy Sources

The exploitation of RES in the Greek energy system remains a key driver towards sustainable development and ensuring energy supply. The significant potential for electricity generation from renewable energy technologies can play a key role in creating new markets and business opportunities that could contribute significantly to the recovery of the Greek economy.

Regarding the penetration of RES in gross final electricity consumption, a steady increase has undoubtedly been observed. In the field of electricity generation from RES focus has been placed on technologies (e.g. wind farms, photovoltaics, small hydro) that have significant potential and high commercial maturity. The sector of photovoltaics (PV) has attracted particularly high investing interest, leading to a rapid growth, well over their estimated development. Especially in the area of PV, a rapid growth has been observed since 2009 resulting in 98% of the current installed capacity having been installed in the last 4 years, i.e. 2,535MW from the total 2,583MW (end 2013). This fact is mainly attributed to the adoption of a favourable support scheme, as well as to the reduction of PV projects' development cost. A further factor leading to this significant increase was the adoption of different policy measures with regard to the streamlining of the licensing procedure (exemptions for the obligation of obtaining certain licenses for smaller-scaled installations).

As concerns wind farms and small hydro, the installed capacity is growing, reaching **1,810MW** and **220MW** respectively **in 2013**, depicting a common increase

the provision of financial and tax Incentives for the replacement of old energy-intensive vehicles with new, energy efficient ones

⁸ 1. Target of 20% RES share in gross final energy consumption, which is further broken down into:

- 40% RES share in gross consumption of electricity
- 20% RES share in final energy consumption for heating and cooling
- 10% RES share in final energy consumption for transport

2. National indicative target for energy savings by 2016: 9% of the average reference annual final energy consumption of the period 2001-2005

of 3.2% compared to the end of 2012. The installed capacity of large hydro stations remains constant during the last years at **3,018MW**. The overall RES penetration as a share of gross **electricity production** is in line with the indicative trajectory presented in the National Renewable Energy Action Plan with a share of 16.4% in 2012 and a steadily increasing contribution. It is also noted that, in view of streamlining and maintaining support for the promotion of RES, a process for the reformation of the support scheme for electricity from RES is currently in progress, while a series of amendments have already taken place during the last months. Alongside emphasis is laid on the design and implementation of projects for the development of the transmission and distribution system to allow greater penetration of RES and on the removal of barriers related to the licensing procedure to accelerate the operation of RES electricity units.

Along with electricity, regarding the contribution of renewable energy for **heating**, recent years have seen a steady increase of RES-H share, especially in the residential sector and secondarily in industry and the tertiary sector.

This high increase is largely attributed to the final consumers' shift to biomass as a cheaper fuel. However, this increase in RES share for heating should not be ascribed only to the economic recession, but also to the effectiveness of various measures taken to improve energy efficiency at end use level (e.g. program for energy savings at households). Solar thermal systems and biomass gained a significant share in the residential sector over the years. The penetration of RES for heating already stands at 24.4% (according to 2012 data), surpassing the corresponding indicative trajectory which was presented at the National Renewable Energy Action Plan.

	2010	2012	2020 ⁹
RES share in electricity	12.4%	16.4%	40%
RES share in heating	17.2%	24.4%	20%
RES share in transport	2.0%	1.06%	10%
RES share in GFEC	9.7%	13.8%	20%

	2010	2011	2012	2013	2020 ¹⁰
RES installed capacity for electricity¹¹ (GW)	4.75	5.52	6.57	7.67	13.27
Wind installed capacity (GW)	1.3	1.64	1.75	1.81	7.5
PV installed capacity (GW)	0.2	0.61	1.53	2.58	2.2

⁹ According to L.3851/2010

¹⁰ According to the National Renewable Energy Action Plan 2010

¹¹ Including large hydro stations

The target for RES penetration in 2020 has been set and analyzed on the basis of energy demand and economy development data available in 2010. However, the actual technology mix and the total installed capacity required to achieve the aforementioned targets may eventually differ, since energy demand until 2020 is currently expected to be lower than what was expected in 2010, while the penetration of certain RES technologies has already approached the target set for 2020 (e.g. PV). Moreover, it has to be mentioned that the targets (in principle in absolute values per technology) set for the penetration of renewable energy in the national energy system in 2020 may be revised in the near future, in the framework of the upcoming national energy roadmap to 2030 and the assessment of the national energy mix. Considering the degree of effectiveness of implemented policies, the actual penetration of specific RES technologies in the last years, the development of investment costs for all RES technologies, the consequences of economic crisis in shaping energy demand and the investing environment, it is important to redefine certain assumptions on the development of the Greek energy system until 2020. This will result into a possible revision of both the development of RES penetration in the national energy system and the actual RES targets.

11.3 Improvement of energy efficiency

The first and second National Action Plan for Energy Efficiency (NEEAP) elaborated in 2008 and 2011 respectively, have presented and analyzed the measures needed to achieve the national indicative energy savings target of 9% by 2016 compared to the reference period 2001-2005. Specifically, the NEEAPs outline measures to improve energy efficiency in all sectors of final energy consumption, namely measures for the residential sector, industry, the tertiary sector and the transport sector, as well as cross-sectoral or horizontal measures with a wider application. The quantitative target for energy savings in final energy consumption is estimated at 16.64 TWh for 2016, while the indicative milestone of 5.15 TWh for 2010 has been already surpassed according to the assessment of achieved energy savings presented in the second NEEAP.

In the framework of directive 2012/27/EE, which the transposition process is underway, the following national targets have also been established:

- a) The total final energy consumption is estimated to be 20.5 Mtoe by the year 2020, as presented in the annual national report in accordance to article 24 of the directive.
- b) The cumulative final energy saving for the period 2014-2020 is estimated to be 3.301,8 ktoe and will be achieved through the implementation of policy measures presented in the national report in accordance to article 7 of the directive.

The targets of energy savings for 2016 as presented in the NEEAPs as well as the targets of final energy consumption and cumulative energy saving set by the directive 2012/27/EE, will be achieved through measures implemented in transport, tertiary and residential sector and to a smaller extent through savings in industry. Specifically, the transport sector is estimated to have the largest potential for energy savings, contributing with 36% energy savings to the target achievement for 2016, followed by the tertiary and residential sector with a contribution of 30% and 29% respectively. Moreover, the second NEEAP, taking into account the achievement of the RES targets, presents the estimates for primary energy savings by 2020 which account for up to 33.1 TWh.

Since 2008 total final energy consumption of Greece has exhibited a significant and continuous drop. This reduction observed in almost all end-use sectors reached around 14% in 2011 compared to 2007 final energy consumption. In particular, it is evident that the ongoing economic recession has significantly affected the levels of demand in all end-use sectors; however the emerging improvement of specific energy efficiency indicators (e.g. CO₂ emissions intensity, final energy intensity) also proves a gradual transition to a more efficient and environmentally friendlier national energy system. The energy savings were mainly achieved through the implementation of major investments to reduce consumption but also through the implementation and support of appropriate actions and measures aimed at improving energy efficiency. Special mention is given to the importance of the energy savings derived from the changes of consumers' energy behaviour, which are not directly related to the economic situation, but to a more rational energy use behavioural pattern.

Energy efficiency is expected to exhibit significant improvement until 2020, which will stem from the implementation of a planned set of targeted measures

mainly for the energy upgrade of buildings in the public and private sector that will be further supported through new market mechanisms and financial support tools and will be combined with the target for increased use of energy from RES in final energy consumption. The development of a smart system for the management of energy production and demand will be equally promoted to eventually contribute to the implementation of a distributed generation system that will allow the high penetration and optimal use of the available potential both for RES generation as well as energy efficiency improvement.

Annex 1 - Indicators on poverty & social exclusion for 2007-2011 (EU-SILC 2008 – EU-SILC 2012)¹²

Table 1: At risk of poverty rate or social exclusion (AROPE), by age and gender (%)

	2008			2009			2010			2011			2012		
<i>Age</i>	<i>Total</i>	<i>Men</i>	<i>Women</i>	<i>Total</i>	<i>Men</i>	<i>Women</i>	<i>Total</i>	<i>Men</i>	<i>Women</i>	<i>Total</i>	<i>Men</i>	<i>Women</i>	<i>Total</i>	<i>Men</i>	<i>Women</i>
<i>Total</i>	28.1	26.3	29.8	27.6	26.1	29.0	27.7	26.0	29.3	31.0	29.6	32.3	34.6	33.9	36.2
<i>0-17</i>	28.7	28.4	29.1	30.0	29.2	30.8	28.7	26.5	31.0	30.4	29.7	31.1	35.4	36.1	34.6
<i>18-64</i>	27.9	26.1	29.6	27.1	25.5	28.7	27.7	26.6	28.8	31.6	30.4	32.8	37.7	36.8	38.7
<i>65+</i>	28.1	24.6	30.9	26.8	24.9	28.4	26.7	22.9	29.8	29.3	26.5	31.5	23.5	21.2	25.4

¹² The reference year is the previous calendar year from the one in which the survey was conducted. In the tables below, the survey year is mentioned.

Table 2: At risk of poverty rate in the European Union & Greece by gender (%)

	2008			2009			2010			2011			2012		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
EU-27	16.4	15.5	17.4	16.3	15.4	17.1	16.4	15.7	17.1	16.9	16.1	17.6	16.9	16.3	17.5
EU-15	16.2	15.2	17.2	16.1	15.2	16.9	16.2	15.4	17.0	16.7	15.9	17.6	16.8	16.2	17.5
EA-17	15.9	14.8	16.8	15.9	14.9	16.8	16.1	15.3	16.9	16.9	16.1	17.6	17.0	16.3	17.7
Greece	20.1	19.6	20.7	19.7	19.1	20.2	20.1	19.3	20.9	21.4	20.9	21.9	23.1	22.5	23.6

Table 3: At-risk-of poverty rate after social transfers, by age and gender (%)

	2008			2009			2010			2011			2012		
Age	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
Total	20.1	19.6	20.7	19.7	19.1	20.2	20.1	19.3	20.9	21.4	20.9	21.9	23.1	22.5	23.6
0-17	23.0	23.6	22.4	23.7	23.5	24.0	23.0	21.6	24.4	23.7	23.4	23.9	26.9	26.1	27.7
18-64	18.7	18.1	19.3	18.1	17.5	18.7	19.0	18.9	19.2	20.0	19.9	20.2	23.8	23.4	24.3
65+	22.3	20.8	23.6	21.4	20.9	21.9	21.3	18.8	23.3	23.6	21.7	25.2	17.2	15.9	18.3

Table 4: At-risk-of-poverty rate before social transfers other than pensions (%)

	2008			2009			2010			2011			2012		
Age	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
Total	23.3	22.3	24.3	22.7	21.6	23.7	23.8	22.7	24.9	24.8	24.2	25.4	26.8	26.2	27.4
0-17	25.8	25.6	26.0	25.2	24.7	25.7	25.8	24.5	27.2	26.5	26.4	26.6	29.8	28.8	30.7
18-64	21.7	21.0	22.3	20.8	20.1	21.5	22.2	22.2	22.3	23.0	23.1	23.0	27.8	27.5	28.0
65+	26.6	23.5	29.0	26.7	23.9	28.9	27.5	22.9	31.2	28.9	25.8	31.5	21.1	18.7	23.0

Table 5: At risk of poverty rate – trends over time (1995-2010) (%)

	1995	1996	1997	1998	1999	2000	2001	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total	22	21	21	21	21	20	20	20.7	19.9	19.6	20.5	20.3	20.1	19.7	20.1	21.4	23.1
Men	21	21	21	20	20	19	19	19.9	18.7	18.3	19.5	19.6	19.6	19.1	19.3	20.9	22.5
Women	22	21	22	22	21	20	22	21.4	21.0	20.9	21.4	20.9	20.7	20.2	20.9	21.9	23.6
Aged 0--17	-	-	-	-	-	-	-	21.5	20.5	20.4	22.6	23.3	23.0	23.7	23.0	23.7	26.9
Aged 65+	35	33	34	35	33	31	33	29.4	28.2	27.9	25.6	22.9	22.3	21.4	21.3	23.6	17.2

Table 6: Relative at-risk-of poverty gap (%)

	2008			2009			2010			2011			2012		
Age	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
Total	24.7	24.4	25.0	24.1	24.4	24.1	23.4	23.4	23.4	26.1	27.2	25.6	29.9	29.9	29.1
0-17	26.0	26.4	25.9	26.4	27.2	26.1	26.0	24.9	29.1	27.4	27.7	27.0	36.0	38.1	33.2
18-64	25.9	25.9	25.9	26.1	25.4	26.9	24.8	24.8	24.9	28.8	29.4	28.0	32.5	32.2	33.6
65+	20.8	19.7	22.8	14.7	14.4	17.0	14.6	14.2	15.8	21.1	19.5	21.5	14.8	15.3	14.5

Table 7: At-risk-of poverty rate by most frequent activity in the previous year (18+) (%)

	2008			2009			2010			2011			2012		
Activity	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
Total	19.4	18.4	20.5	18.8	18.1	19.5	19.4	18.6	20.2	20.9	20.2	21.5	22.6	21.8	23.3
(a) At Work	14.4	15.9	12.3	13.8	16.1	10.6	13.8	16.4	10.2	11.9	13.2	10.1	15.1	16.5	13.1
(b) Not at work (Total)	24.5	22.4	25.8	23.9	21.1	25.6	25.0	21.7	27.1	28.1	28.3	27.9	27.9	27.1	28.4
Unemployed	36.8	39.4	35.2	38.1	35.3	40.1	38.5	37	40.0	44.0	48.4	39.0	45.8	52.1	38.9
Retired	20.3	17.9	23.2	18.4	17.8	19.2	19.0	17.0	21.4	19.9	20.2	19.5	14.3	14.4	14.2
Other inactive	26.0	27.3	25.7	26.5	24.5	27.0	27.4	24.6	28.1	30.0	28.3	30.4	33.3	29.1	34.2

Table 8: At-risk-of-poverty by household type (%)

	2008	2009	2010	2011	2012
<i>Households without dependent children</i>	18.4	17.4	17.6	19.5	18.6
<i>Single person</i>	25.3	26.5	27.2	25.2	22.2
<i>Single person with dependent children</i>	27.1	32.1	33.4	43.2	66.0
<i>Households with dependent children</i>	22.1	22.3	22.9	23.2	28.1
<i>Two adults with one dependent child</i>	17.5	22.3	21.6	17.7	25.3
<i>Two adults with two dependent children</i>	21.9	22.4	20.3	24.2	25.9
<i>Two adults with three or more dependent children</i>	27.2	28.6	26.7	20.8	36.8

Table 9: At-risk-of poverty rate, poverty threshold = 40% of median equivalised income (%)

	2008			2009			2010			2011			2012		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
<i>EU-27</i>	5.2	5.1	5.4	5.4	5.3	5.5	5.6	5.6	5.6	5.7	5.7	5.7	5.8	5.9	5.7
<i>EU-15</i>	5.0	4.8	5.1	5.2	5.1	5.3	5.4	5.3	5.5	5.5	5.5	5.6	5.6	5.7	5.6
<i>EA-17</i>	4.9	4.7	5.0	5.2	5.1	5.4	5.5	5.3	5.6	5.7	5.6	5.7	5.7	5.7	5.8
<i>Greece</i>	6.7	6.6	6.8	6.6	6.4	6.8	7.3	7.0	7.7	8.2	8.2	8.2	10.6	10.5	10.6

Table 10: Persistent at-risk-of poverty (%)

	2008			2009			2010			2011			2012		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
<i>EU-27</i>	8.7	8.2	9.2	8.8	8.2	9.4	9.7	9.1	10.3	9.6	9.1	10.1	9.7	9.0	10.5
<i>EU-15</i>	8.7	8.1	9.3	8.8	8.1	9.5	9.2	8.6	9.8	9.2	8.6	9.8	9.8	9.0	10.5
<i>Euro Area-17</i>	8.9	8.2	9.5	9.1	8.4	9.9	9.7	9.0	10.4	9.8	9.2	10.4	10.1	9.3	10.9
<i>Greece</i>	13	11.3	14.7	16.1	15.6	16.6	17.6	16.3	18.0	10.5	10.4	10.6	13.8	14.0	13.5

Table 11: People living in households with very low working intensity, by age and gender, population aged 0-59 years, Greece (%)

Age	2008			2009			2010			2011			2012		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
<i>Total</i>	7.4	6	8.8	6.5	5.2	7.8	7.5	6.4	8.5	12.0	11.0	13.0	14.2	12.9	15.6
<i>0-17</i>	3.9	3.2	4.5	2.7	2	3.3	3.9	2.9	4.9	7.2	7.5	7.0	7.6	8.2	6.9
<i>18-59</i>	8.4	6.8	10.1	7.7	6.2	9.1	8.5	7.5	9.6	13.5	12.1	14.8	16.3	14.4	18.2

Table 12: Population living in jobless households, (%)

	2008	2009	2010	2011	2012
<i>Persons aged 0-17 living in jobless households</i>	3.6	4.8	6.3	9.2	12.9
<i>Persons aged 18-59 living in jobless households</i>	7.5	8.5	10.3	13.7	17.5

Source: Eurostat, LFS

Table 13: Severe material deprivation (%)

	2008	2009	2010	2011	2012
<i>Total</i>	11.2	11.0	11.6	15.2	19.5
<i>Aged 65+</i>	14.8	12.1	12.4	13.1	14.3
<i>Aged 0-17</i>	10.4	12.2	12.2	16.4	20.9
<i>Single person with dependent children</i>	32.0	28.8	22.6	29.0	48.2
<i>Two adults with three or more dependent children</i>	8.9	10.2	14.0	22.7	30.1
<i>Employed (18+)</i>	7.7	8.3	8.6	10.3	14.5
<i>Unemployed (18+)</i>	22.6	20.2	28.3	34.4	40.5
<i>Not in employment (18+)</i>	14.8	13.0	14.2	18.5	23.2

Table 14: At-risk-of poverty threshold, 60% of median equivalised income, in EUR, (%)

	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
<i>For a single person</i>	6.480	6.897	7.178	6.591	5.708
<i>For two adults with two children 0-14 years old</i>	13.608	14.484	15.073	13.842	11.896

Annex 2 - GERD scenario based on individual scenarios of the main funding sources

2020 R&D target for National Reform Programme													
Year	GDP bln. €	National Funds (%)	National Funds ml. €	PA ml. €	PA (%)	Ordinary budget (%)	Business (%)	Abroad & Horizon 2020 (%)	Total (%)	Ordinary budget ml. €	Business ml. €	Abroad & Horizon 2020 ml. €	TOTAL ml. €
2014	183	0,03	50	0	0,00	0,23	0,21	0,07	0,54	421	384	128	983
2015	188	0,05	100	100	0,05	0,23	0,23	0,09	0,66	432	432	169	1.234
2016	197	0,10	200	150	0,08	0,24	0,26	0,10	0,78	473	512	197	1.532
2017	203	0,15	300	200	0,10	0,24	0,28	0,11	0,88	487	568	223	1.779
2018	210	0,19	400	300	0,14	0,25	0,3	0,11	0,99	525	630	231	2.086
2019	218	0,23	500	300	0,14	0,26	0,33	0,12	1,08	567	719	262	2.348
2020	225	0,29	650	400	0,18	0,27	0,35	0,12	1,21	608	788	270	2.715

The basic assumptions for setting up the above Table are as follows:

1. **Column “National Funds”:** The Greek state finances R&D with complementary funds, apart from its contribution to the co-financing of the European Structural and Investment Funds (ESIF). For example in 2012 and 2013 there was a “pure” national financing of the Public Research Centres and Higher Educational Institutions, coming from the Public Investment Budget, of €22.3 million and €34.5 million respectively. The above financing concerned mainly matching funds for the participation of Greek research teams in projects of the 7th FP.

The amount of the “pure” national financing is expected to increase in the future so as to cover this part of the National Strategic Plan for Research & Innovation which cannot be financed totally from the ESIF. However the overall amount of the “pure” national funding, as shown in the above Table, will remain rather restricted, reaching in 2020 a ceiling of 0.27% of the GDP.

2. **Column “PA-Partnership Agreement”**: It concerns funding coming from the European Structural and Investment Funds under the Thematic Objective 1 (Research and Innovation) of the PA, including both the EU and the national co-financing. The part of the PA funds which will not address R&D (e.g. funds addressing expenditures of non technological innovation), will be counterbalanced by funds for R&D coming from other thematic objectives.
3. **Column “Ordinary Budget”**: Taking into account the retrospective statistical data concerning GBAORD, the following series of data comes out:

Year	Ordinary Budget million €	GDP billion €	% OB/GDP
2008	660	233	0.28
2009	674	231	0.29
2010	581	222	0.26
2011	521	208	0.25
2012	515	194	0.27
2013	456	183	0.25

The basic assumption consists to a further decrease of the Ordinary Budget (as a percentage of the GDP) to 0.23% (in 2014) and then continuing with a stable trend. From 2016 a slight increase of the above percentage is expected attaining in 2020 a level equal to that of 2012.

4. Column “Business Sector”:

The financing of R&D by the Business Sector was 0.15% of the GDP in 2007. However in 2011, in spite of the recession and the financing difficulties of the enterprises, the above percentage rised to 0.21% of the GDP. Since more recent data are not available, it is estimated that after a period of stabilization, a positive trend will be recorded in the next years, following the recovery of the Greek economy, up to 0.38% of the GDP in 2020. As already mentioned above, this estimation is based on two expectations: on one hand an important mobilization of the enterprises for R&D activities will take place and on the other hand public funding -either from national, or European sources (Partnership Agreement, Horizon 2020)- will achieve to leverage increased funding from the private sector.

5. Column “Abroad – Horizon 2020”:

On the basis of final data for reference year 2011, the inflow of funds for R&D from abroad was €205 million or 0.10% of the GDP (80% of the above funds coming from the 7th FP of the EU). On the basis of provisional data, the total amount of funds expected to be absorbed by Greek participants to the FP7 projects will be of an order of €950 million.

Compared to FP7, Horizon 2020 has an increased overall budget (by 30%). However it is estimated that the absorption of Horizon 2020 funds by the Greek research teams will increase only by 25% since an intensified competition between member states in pursuit of additional funding from Horizon 2020 is expected. The above assumptions result to an estimation that during the period 2014-2020 the inflow of funds for R&D from abroad will be of an order of €1500 million, starting with lower absorption rates which will steadily increase through the years.

Annex 3 - Description of the key measures taken and information on their qualitative impact

Information on planned and already enacted measures							Foreseen impacts
Description of main measures				Europe 2020 targets	Challenges/Risks	Budgetary implications	Qualitative elements
Description of the measure	Legal/Administrative instruments	Timetable on progress achieved in the last 12 months	Timetable on upcoming steps	Estimated contribution to Europe 2020 targets	Specific challenges/risks in implementing the measures	Overall and yearly change in government revenue and expenditure (reported in mln. National currency), contribution of EU funds (source and amounts)	Qualitative description of foreseen impacts and their timing
Financing of energy saving interventions in public buildings and residences	A) L. 4122/2013 Buildings' energy efficiency. B) financial instruments.	Integration in the program: Households 50.000 (30.000 have already been realized). Public sector 150 municipalities.	Sequence of interventions during the new operational program 2014-2020	Goal achievement 20% reduction final energy consumption.	A) Limited recourses in ENERGY sector. B) Time-consuming procedures for interventions in public buildings.	800 M€ Public expenses. 200 M€/ YEAR.	A) improvement of residential energy efficiency. B) 30% reduction in final energy consumption in residential sector for the next 20 years. C) 500 TH. energy efficiency certificates were published.
Reform of RES support account	A) FEED IN TARIFFS (φκκ 103B/2013) B) Re-adjustment of feed in tariffs in more competitive basis for the operational RES.(IN	Stabilize and contain the deficit account of RES.	Gradual elimination of the deficit account	Penetration of RES in accordance with the requirements of the country energy system	Reaction of existing stakeholders.	Estimated 140 M€ from the annual reduction of taxes.	Reducing risks of investment in RES sector.

	PROGRESS)						
Upgrade of electricity distribution network incorporating digital technology.	A) L. 4001/2011 B) Smart meters deployment	ΦΕΚ Β/297/2013 Timetable and description of pilot program.	Replacement of 80% old meters with smart meters by 2020	A) energy saving B) improved RES deployment	Funding needs		3% energy saving, 5% RES penetration. (Acc. Bibliography)
Expansion of electricity transmission system on islands.	Ten Year Network Development Plan	In progress the first stage of tender referring the Cyclades interconnection	A) completion of Cyclades islands interconnection. B) implementation of Crete island interconnection.	A) GHG reduction B)) improved RES deployment	A) Funding needs B) technical complexity		Energy cost reduction.
In service teacher's training	L.2848/2010	<ul style="list-style-type: none"> • Implementation of programs for certification of administrative efficiency • Implementation of programs to acquire steering efficiency • Elaboration of training materials. 	<ul style="list-style-type: none"> • Completion of training to acquire guiding proficiency for all School Counsellors • Training teachers actions in implementing new curricula • Training teachers employed in all day schools • Training teachers actions in the use of new technologies • Training to acquire certification of administrative efficiency 	Contribution to the reduction of the drop outs rate to below 10%			
New curricula	<ul style="list-style-type: none"> • Method of evaluation and successful transition and graduation of 	<ul style="list-style-type: none"> • Elaboration and pilot implementation of new curricula for compulsory education 	<ul style="list-style-type: none"> • Development of new curricula for the General and Professional upper high school.(lyceum) 	Contribution to the reduction of the drop outs rate to below 10%			

	students l. 4186/2013 art.3 • Creation of national data bank of exam topics (l. 4186/2013 art 16)		• Creation of National Data Bank of Exam Topics.				
Evaluation and autoevaluation of school units and school teachers	<ul style="list-style-type: none"> • L.3848/10 • 30972/Γ1/05-03-2013 and 30973/Γ1/05-03-2013 Ministerial Decisions. • L.4142/2013 (ΑΔΙΠΔΕ) • P.D152/2013 	<ul style="list-style-type: none"> • Release of Ministerial Decision • P.D152/2013 for the evaluation of teachers • Establishment of Special Scientific Committee for the preparation of training materials for staff involved in The assessment of the quality in Primary and Secondary Education. 	<ul style="list-style-type: none"> • Elaboration of implementation of the framework of evaluation. • Production of training material for all the categories and elaboration of evaluation tools. • Organization and implementation of Training Programs for education decision makers. • Development of the Independent Authority for the Quality Assurance • May 2014: Completion of evaluation of education officers • June 2014: Completion of the evaluation of School Directors • September 2014: Beginning of evaluation of teachers 	Contribution to the reduction of the drop outs rate to below 10%			
National	L..4142/2013	Establishment of the		Contribution to			

Organization of Exams		National Exam Agency , responsible for the organization of nationwide exams		the reduction of the drop outs rate to below 10%			
Areas of Educational Priority	L. 3879/2010	<ul style="list-style-type: none"> • Change to planification of the pilot implementation of programs and the enlargement of the institution to a bigger number of school units. • They are added programs for the smooth transition of students. • Implementation of actions of development of nutrition programs in school units of ZEP(priority educational areas.) 	<ul style="list-style-type: none"> •Recruitment of teachers and school psychologists •Implementation of training Implementation of smooth transition of students, of co-education, of nutrition programs from nutritionists. 	Contribution to the reduction of the drop outs rate to below 10%			
All day Schools		<ul style="list-style-type: none"> • Recruitment 1508 substitute teachers for the support of the institution 	<ul style="list-style-type: none"> • Development of a new more effective model for the very small school units 	Contribution to the reduction of the drop outs rate to below 10%			
Remedial teaching			<ul style="list-style-type: none"> • Function of 486 School Centres of Remedial Teaching. 	Contribution to the reduction of the drop outs rate to below 10%			
Merging of School Units		<ul style="list-style-type: none"> • Completion of merging 		Contribution to the reduction of			

		<ul style="list-style-type: none"> • Merging of 264 school units • Abolition of 136 school units 		the drop outs rate to below 10%			
Digital School		<ul style="list-style-type: none"> • Completion of the third phase of enrichment of the digital publications of the school text books. 	<ul style="list-style-type: none"> • Completion of the enrichment of school textbooks of the remaining courses. • Foundation of support committees of the network for innovative educational actions • Expansion of the program of pilot implementation of equipment for digitally supported teaching in primary education 	Contribution to the reduction of the drop outs rate to below 10%			
Restructuring of Vocational Education	L. 4186/2013	<ul style="list-style-type: none"> • Foundation of Schools of Vocational Education • Introduction of the institution of the apprenticeship 		Contribution to the reduction of the drop outs rate to below 10%			
Project AOHNA		<ul style="list-style-type: none"> • 4 H.E.I are abolished • 123 departments are abolished 		Contribute to increase the graduates of Higher Education in 40%			
		<ul style="list-style-type: none"> • Election of the Administration Councils. 		Contribute to increase the graduates of Higher Education			

				in 40%			
Student' s register		<ul style="list-style-type: none"> Actualisation of the students register and deleting of those who exceed a certain limit of studies. 		Contribute to increase the graduates of higher education in 40%			
External Evaluation of H.E.I		Completion of the external evaluation of the HEI in a percentage of 85%	Completion of the evaluation of the HEI and release of the results.	Contribute to increase the graduates of higher education in 40%			
PREPARATION OF A NEW NATIONAL STRATEGIC PLAN FOR RESEARCH & INNOVATION (ESPEK) IN VIEW OF THE NEW PROGRAMMI NG PERIOD. FRAMEWORK IMPROVEMEN TS FOR THE UTILISATION OF STRUCTURAL FUNDS	<p>Improvement of the management capacity of the GSRT through the simplification of the legal and regulatory framework for RDI programs (on going)</p> <p>* The drafting of the new legislative act for research is in coordination (the public consultation of which ended on 31/12/2013) with the preparation of the national research and innovation strategy so as to make provisions to facilitate the future implementation of</p>	<p><u>Acceleration of the implementation of the NSRF (National Strategic Reference Framework) 2007-2013</u></p> <p>*The total public budget of Calls for Proposals for RDI Actions launched till 31.12.2013 amounts to 764 million Euros , while the realized payments in the same period are about 257 million Euros.</p> <p><u>Drafting a national research and innovation strategy for smart specialisation (ex ante conditionality for the financing of RDI in the programming</u></p>	<p><u>Acceleration of the implementation of the NSRF</u></p> <p>The efforts will be continued till the end of 2015, with general or more targeted measures in order to tackle eventually persisting management problems</p> <p>The planned public budget for new Calls (plus the planned supplementary budget for already implemented Actions) in 2014 and 2015 amounts to 495 mi. Euros.</p> <p>The National Strategic Framework for Research and Innovation (ESPEK) will be finalized in 2014</p>	<p>Due to the economic crisis and the shrink in the public funding as well as private investments, Structural Funds mainly affect the value of GERD in 2020. For this reason policies for better exploitation of these funds play significant role in the setting of the target. The preparation of ESPEK as an overall RDI strategy cultivates</p>	<p>*In the new programming period the allocation of jurisdictions between many and dispersed administrative units for the coordination of R&D activities should be avoided as well as the possible complexity in the management framework. Potential failure to secure adequate national funds in the framework of</p>		<p>*Improvement of absorption rates of SF for the period 2007-2013</p> <p>*More effective use of Structural Funds for the new programming period 2014-2020</p>

	<p>the RDI strategy (on going) *Preparation of a new management system of the Structural Funds for the new programming period 2014-2020 with the following main characteristics: --Simplification of the management system, reduction of the number of the administrative units with clear allocation of jurisdictions between the units. For this reason a continuous cooperation has been established between GSRT and the Ministry of Development. --Cooperation with the TASK FORCE GR. -- Creation of a stable framework for measuring and evaluating research results</p>	<p><u>period 2014-2020)</u> *Innovation platforms have been established for major economic sectors with the aim to identify priorities within each sector. Initial base documents have been prepared and consultations with the private sector as well as the research community and other stakeholders, like relevant Ministries have been made. The GSRT cooperates also with the regional authorities in order to help them integrate RDI actions in their regional strategies and to promote synergies between regional and national strategies. *Cooperation with regions and Thematic Cooperation Groups for the inclusion of RIS3 in the overall national strategy that will be implemented in</p>		<p>expectations for more accompanying national funds.</p>	<p>ESPEK, may threaten the attainment of the target.</p>		
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		the new programming period with structural funds.					
ENHANCING THE HUMAN RTD POTENTIAL	<p>*The exception of research organizations from the Medium Term Fiscal Strategy Framework (MTFSF) 2013-2016 (Law 4093/2012) should be pursued.</p> <p>* Specific measures should be taken aiming to the replacement of researchers who retire.</p> <p>* A new legislative act for research (the public consultation of which ended on 31/12/2013) provides measures to promote the mobility of researchers.</p>	<p>Specific Actions are implemented in the framework of the NSRF (2007-2013). (In 2013 the following calls for proposals were launched:</p> <p><i>“Supporting enterprises for recruiting research personnel”,</i></p> <p><i>“Financing research proposals which were positively evaluated in the 5th Call of ERC Grants Schemes”,</i></p> <p>The Actions, <i>“ARISTEIA (Excellence) I”,</i></p> <p><i>“ARISTEIA II”,</i></p> <p><i>“Financing research proposals which were positively evaluated in the 4th Call of ERC Grants Schemes”,</i></p> <p><i>“Supporting post doctoral researchers-(POSTDOCs)”,</i></p> <p><i>“Supporting enterprises for recruiting high level</i></p>	<p>In 2014, after the approval by the EC of the Partnership Agreement, certain measures are planned to inhibit the brain-drain symptom.</p>	<p>It cannot be estimated precisely, however since about 60% of GERD consists of salaries, we can conclude that GERD in 2020 will be largely influenced by policies enhancing human R&D potential</p>	<p>*The prohibition of recruitments, the cut of salaries and operating costs in public research centres and universities provided by the Medium Term Fiscal Strategy Framework (MTFSF) 2013-2016 (Law 4093/2012)</p> <p>*The shrink of the national part of the PIB which does not permit the implementation by the GSRT of other policy measures apart from those which will be included in the “partnership agreement” with the EU in the framework of the</p>	<p>*Enhancing Excellency and strengthening the international competitiveness of the country’s research system</p> <p>*Consolidating meritocracy and a steady research environment</p> <p>*Reducing brain drain</p> <p>*Attracting young scientists to the researcher’s career</p> <p>*Attracting researchers from abroad</p> <p>*Increasing the number of researchers in the private sector</p> <p>*Facilitating the mobility of researchers in a unified research area.</p>	

		<i>scientific personnel”, are still in progress.)</i>			Cohesion Policy of the new programming period. Nevertheless, there is a great challenge in increasing the number of researchers taken into account that Europe 2020 target requires measures to increase the number of researchers as well, in other words to ensure the conditions which would permit to attract new scientists to the research career	
STRENGTHENING THE NATIONAL RESEARCH SYSTEM AND PROMOTING OPTIMAL USE	Under the provisions of the Law 4051/2012, research institutes were merged in order to create critical mass and economies of scale. As a result the	* In the framework of the National Strategic Reference Framework (NSRF) 2007-2013: A) Implementation has begun of the positively evaluated proposals of the Action “Proposals	A National Strategy and a National Roadmap for large research infrastructures, aiming at the upgrade of already existing infrastructures and the identification for the creation of new ones	It cannot be estimated precisely, however since about 70% of GERD is performed by the public sector	*The decrease of the regular funding of the research centres and universities will not permit the maintenance of research	*Enhancing the excellency of our national research system * Enhancing strategic choices of research centres supervised by the

<p>OF AVAILABLE RESOURCES (it concerns policies having to do mainly with the public sector of the national research system)</p>	<p>previous 56 institutes were merged into 32.</p>	<p><i>for the Development of the Research Centres-KRHPIS</i>". B) For the support of the participation of the Greek research community in the European ESFRI infrastructures, a relevant call has been announced C) Regional funds have been utilized for the support of regional research infrastructures. *The 2st phase and the evaluation of the proposals that were submitted concerning large research infrastructures aiming at the elaboration of a national strategy and a roadmap for large RIs was completed.</p>	<p>will be finalized. These infrastructures will support the implementation of the smart specialization strategy.</p>	<p>(research centres, HEIs, etc) policies aiming at strengthening public research organizations have an important influence on GERD</p>	<p>activities which are not eligible for funding by the Structural Funds of the EU. Respectively, it will direct the Greek researchers' activities towards the orientations and priorities of the Framework Programs of the EU. Challenge: A competitive infrastructure at research institutions, and access to international infrastructures, is an indispensable prerequisite for a competitive research location</p>		<p>GSRT *Creation of synergies between research centres, universities and technological educational institutes * Strengthening the regional role of research organizations *More efficient use of available resources *Support of the participation of Greek researchers in pan-European infrastructures which is of decisive importance for Greece's competitiveness</p>
<p>MOBILISATION OF THE PRIVATE SECTOR FOR INCREASED</p>	<p>*Simplification of procedures taking – when appropriate - additional legal or administrative measures in order to</p>	<p>In the framework of the National Strategic Reference Framework (NSRF) 2007-2013 the following Actions addressing the</p>	<p>*Preparation of a new RDI strategy (ESPEK) to be implemented in the new programming period 2014-2020 with emphasis on: --Stimulating R&D</p>	<p>According to the GSRT estimates, 35% of GERD in 2020 will be financed by the Business Sector</p>	<p>*The further continuation of the recession and an eventual delay in taking measures for</p>		<p>*Increased participation of the business sector in RDI activities *Diffusion of</p>

<p>PARTICIPATION IN RDI ACTIVITIES AND EXPLOITATION OF NEW KNOWLEDGE</p>	<p>remove obstacles for research and innovation activities. The results of the study financed by the GSRT «Proposals to remove obstacles to the commercial exploitation of firm’s innovation” which was completed in 2012 should be taken into consideration in drafting the new measures. In this context Law 4156/2013 supports enterprises in issuing letters of guarantee. A public consultation of the new Law on RDI was concluded in December 2013. The aim of the Law is the creation of a friendlier environment for the enhancement of RDI and the exploitation of the new knowledge. *Examination and eventual better</p>	<p>business sector were launched in 2013: <i>“Promotion of Industrial Research & Technology 2013”</i> <i>“Bilateral R&D cooperation between Greece and China 2012-2014”</i> <i>“Bilateral R&D cooperation between Greece and Germany”</i> <i>“Bilateral R&D cooperation between Greece and Israel”</i> In 2013 the Action <i>“Supporting enterprises for recruiting research personnel”</i> was also launched. *Several actions launched in previous years aiming at boosting RDI activities in the business sector are still in progress, accelerating the rhythm of their implementation</p>	<p>investments of the private sector in sectors where the country has a comparative advantage with the participation of the private sector (according to national/regional Smart Specialization Strategies(Entrepreneurial discovery process)) --Creating new enterprises with a research orientation -- on measures to strengthen the links between universities/research institutions and the private sector -- Drafting new financial instruments for RTD and innovation. The mobilization of the private sector for an increased participation in RDI activities and the exploitation of the new knowledge is the backbone of the above strategy A set of suitably targeted instruments will be elaborated taking into</p>	<p>which proves of the importance of policies aiming to its further mobilization towards R&D activities</p>	<p>improving the investment climate. *The problem regarding bank financing of Greek enterprises Challenge: efforts must continue in the next programming period in order to improve framework conditions that will enable private investments in R&D.</p>		<p>research results in the economy</p>
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	<p>adaptation for RDI activities of the regulatory framework about Public Private Partnerships</p> <p>*Amendment of legislation to improve the design and implementation of tax incentives, which consist an important instrument for boosting RDI activities</p> <p>In this context Law 4110/2013 provides for more advanced tax incentives starting from 2014.</p> <p>*New investment law</p> <p>*Better coordination and cooperation is needed between the Ministry of Education /GSRT and the Ministry of Development for the preparation and implementation of innovation policies</p>		<p>consideration sectoral or regional specificities.</p>				
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<p>MEASURES TO SUPPORT THE GREEK RESEARCH COMMUNITY FOR AN INCREASED PARTICIPATION IN THE FRAMEWORK PROGRAMS OF EU (FP7 AND HORIZON 2020) AND TO PROMOTE THE INTERNATIONAL OUTREACH OF GREEK R&D ENTITIES</p>	<p>There is need to secure national contribution (Matching Funds) with the aim to support research organizations' participation in FP programs, and fully exploit in the future synergies between Horizon 2020 and Structural Funds in order to further improve the successful Greek participation in Framework Programs</p>	<p>In the framework of the National Strategic Reference Framework (NSRF) 2007-2013 the following Actions were launched in 2013, making use of the tools of the European Research Area (ERA) or reinforcing the extroversion of Greek research teams through bilateral R&D Cooperation: <i>"Actions supporting Greek organizations which participated successfully to the joint Calls for proposals of the ERANETS (ERANET 4th Call)",</i> <i>"Bilateral R&D cooperation between Greece and China(2012-2014)",</i> <i>"Bilateral R&D cooperation between Greece and Germany",</i> <i>"Bilateral R&D cooperation between Greece and Israel",</i> <i>"Bilateral R&D</i></p>	<p>The support of the participation of the Greek research organizations to the construction phase of ESFRI infrastructures will continue. A number of the bilateral calls will have increased budget in the new programming period and will also provide for the joint participation of research centres/universities and enterprises. In addition, the participation of Greek researchers to European R&D programs (HORIZON 2020, COSME) as well as other transnational organisations (ESA,EMBO,CERN) will be further supported.</p>	<p>According to the GSRT estimates, 10 % of GERD in 2020 will be financed by the EU FP.</p>	<p>*The difficulty in securing the national contribution (Matching Funds) combined with the cuts of researchers' and academics' salaries which constitute the main factor of the Greek participation in the Framework Programs. *The possible complexity in the complementary functionality of the two funding mechanisms (Horizon 2020 and Structural Funds). *The intensified competitiveness between member states in pursuit of additional funding from Horizon 2020.</p>		<p>*Preservation or even further improvement of the scores of the Greek participation in the EU FPs *Upgrading of the Greek research organizations *Enhancement of the excellency of the Greek research system *Promotion of the extroversion of the Greek research system</p>
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		<p><i>cooperation between Greece and Cyprus”</i> <i>“Bilateral R&D cooperation between Greece and France II 2013”, “Bilateral R&D cooperation between Greece and Turkey (2013-2014)”</i> Moreover Actions launched in precedent years are still in progress: e.g. <i>“Supporting the participation of Greek organizations to the 2nd and 3rd European Call of the Joint Technology Initiatives ENIAC and ARTEMIS”</i> and Actions aiming at the reinforcement of the country’s participation in the construction phase of the ESFRI (European Strategy Forum for Research Infrastructures) /2006 research infrastructures</p>			<p>*The ageing of the human research potential combined with the emigration of researchers (brain-drain) with no replacement capability due to the Medium Term Fiscal Strategy Framework (MTFSF) 2013-2016 (Law 4093/2012). *Decrease of investments on R&D from the private sector *The obstacles to the financing of enterprises by the banking sector</p> <p>Challenge: The Greek STI system needs to be networked with more advanced countries, so the Greek government stresses emphasis</p>		
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					on bilateral and international collaboration.		
PROMOTION OF A SYSTEMATIC COOPERATION BETWEEN DIFFERENT MINISTRIES FOR A STRATEGIC APPROACH OF THE PLANNING OF RESEARCH ACTIVITIES		In the framework of the drafting of the National Strategy for Smart Specialization, cooperation has been developed with other Ministries responsible with for certain economic sectors (Tourism, Health, ICT, Environment etc) as well as with regional authorities	Expansion as well as establishment of the cooperation with other ministries.	It cannot be estimated			*Optimal use of available resources *Better coordination of policies affecting the operation of the National Research and Innovation System.