



# RRF 1<sup>st</sup> Payment request – Greece

Preliminary positive assessment by the Commission



*EPC meeting – 08 March 2022*

# Timeline of Greek RRP implementation

## RRP design and adoption

- RRP submitted on 27 April 2021
- Approved by COM on 23 June 2021
- Endorsed by Council on 13 July 2021



## RRP Implementation Setup

- Financing and loan agreements signed on 20 July 2021
- Operational arrangement signed and published on 21 December 2021



## First Payment Request

- Submitted on 29 December 2021
- Positive preliminary assessment adopted by COM on 28 February 2022
- Shared with EFC and EPC on 28 February 2022

# Overview of Greece's first payment request

	Investments	Reforms	Total
Milestones for non-repayable support	5	8	13
Milestones for loan support	2		2
<b>Total</b>	<b>7</b>	<b>8</b>	<b>15</b>

- First instalment covers 15 milestones (EUR 3.56bn - net of pre-financing, 1.72 in grants, 1.85 in loans).
- One milestone concerns Greece's **audit and control system** for the implementation of the RRP.
- Next slides will present milestones on:
  - Green transition
  - Digital transition
  - Loan facility
  - Resilience
  - Audit and control system

# Green transition

- M 20: Energy renovations of residential buildings

- M 42: Regulatory framework to promote the installation and operation of charging points for electric vehicles

- M 263: Roadmap for railways reform to modernise the rail sector



- M 32: Adoption of an energy poverty action plan to address energy poverty challenges of economically vulnerable households

- M 56: Waste management law to support the transition to a circular economy

- M 320/321: Framework for loan facility, of which at least 37% will fund the climate transition

# Digital transition

- M 133: Update of IT tool used to monitor the labour market (part of the milestone on the labour law)
- M 320 /321: Framework for loan facility, of which at least 20% will fund the digital transition



# Loan facility



## **Framework** for the operation of the loan facility:

- For financing agreements with international financial institutions
- For financing agreements with commercial banks

## **Financing agreements:**

- Agreements with EBRD (€500 million) and EIB (€5 billion) signed
- Launch of the calls for commercial banks

# Loan Facility – key criteria

- State covers a maximum of 50% of the investment, with the financial institutions' participation at a minimum 30%, and debtor participation amounting to at least 20%.
- Eligibility criteria for funding of investments:
  - ✓ Positive net present value;
  - ✓ Aligned with the five strategic pillars (green transition, digitalisation, extroversion, economies of scale through mergers and acquisitions, and innovation / R&D);
  - ✓ Compliant with Do No Significant Harm;
  - ✓ Compliant with State aid rules.
- At least 38.5% of the funds to support the climate transition and at least 20.8% of the funds to support the digital transition.
- Robust governance framework, including monitoring and audit.
- Pari passu participation of the State and commercial banks.

# Resilience

## Labour market

- M 133: New law modernising labour legislation
- M 141: Organisational reform of the public employment service

## Business environment

- M 199: Calendar for the simplification of tax legislation
- M 200: Draft legislation to put in place incentives for productivity and extroversion of SMEs

## Access to finance

- M320 & 321: Loan facility – previous slide

## Health and crisis management

- M 153: Stronger incentives for ensuring efficiency of spending on pharmaceuticals
- M 77: 13 new regional centres for civil protection





# Labour market reforms



## New labour law

- Modernising:
  - ✓ Individual labour law; Collective labour law and trade union law
  - ✓ Framework for work-life balance
  - ✓ ERGANI IT system
- Objectives:
  - ✓ Increase job creation and competitiveness
  - ✓ Fighting undeclared and under-declared work
  - ✓ Bridging gender employment gap

## Public Employment Service (OAED) reform

- Governance model
- Organisational chart and financial management system
- Improving quality of services & efficiency of RRF/EU funds absorption

# Audit and Control



- **The audit and control system was set up in accordance with the RRF Regulation:**
  - ✓ The system ensures the collection of data and monitoring of the achievement of milestones and targets;
  - ✓ It allows for the preparation of management declarations and the audit summary as well as payment claims and
  - ✓ The necessary procedures are established to prevent conflict of interest. The authorities have also provided evidence that the collection and storage of data has started and required access is ensured.
- The **Hellenic Audit Authority** was mandated to carry out the audit of the Recovery and Resilience Plan. It has already carried out an audit, at the occasion of which it has not identified major weaknesses
- The government has **committed to continue to develop the audit and control system** to improve its functionalities and efficiency

# Assessment of milestones

Greece submitted evidence in line with the OA verification mechanism via FENIX:

- All **supporting documents** such as: copy of legal acts, official documents, public calls for tender, publicly available reports, etc
- **Summary document** duly justifying how the milestone was satisfactorily fulfilled
  - Recalling the objective of the measure
  - Listing supporting documents provided
  - Explaining how the evidence provided addresses the requirements set out in the CID Annex

**COM assessed the submitted evidence: verification of OA annex I and CID annex requirements**

- Supporting evidence corresponds to the list contained in the verification mechanism (OA Annex I)
- Measures taken fulfil the description of the objectives of the measure and the Milestone criteria (CID annex description and milestones)

# Next steps

- EFC discussion (2 weeks)
- Comitology (around 1 week)
- Payment in April, date subject to market conditions

# Thank you

More information: [Commission webpage on the RRF](#)

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