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COMMISSION STAFF WORKING DOCUMENT

Enhanced Surveillance Report - Greece, September 2021

Accompanying the document

COMMUNICATION FROM THE COMMISSION

Enhanced Surveillance update - Greece, September 2021

{COM(2021) 598 final}

STAFF WORKING DOCUMENT

Progress with the implementation of due specific commitments and relevant continuous commitments (*) given to the Eurogroup (Annex to the Eurogroup statement**, 22 June 2018)**

Commitment	State of play and next steps
(*) Fiscal. Achieve a primary surplus of 3.5% of GDP over the medium-term.	**The authorities continue to provide timely, targeted and temporary support to the economy, the re-opening of which has been more gradual than assumed in April.** According to the Council opinion on the Greece's 2021 Stability Programme, the measures taken by Greece in 2020 and 2021 have been in line with the Council Recommendation of 20 July 2020 ([1]). The General Escape Clause remains active in 2022. The General Escape Clause allows for a temporary departure from the budgetary requirements, including Greece's fiscal targets monitored under enhanced surveillance, provided that this does not endanger fiscal sustainability in the medium term.
Public financial management. Complete the chart of accounts for the central administration by implementing the fund and functional classifications in the 2022 State budget by mid-2021. It is noted that the implementation of the fund classification is subject to a provision of technical assistance. Extend the Chart of Accounts reform to General Government entities by mid-2022.	**The implementation of the 1st level of the functional classification, a mid-2021 specific commitment, is on track for completion by October 2021.** The authorities are taking the necessary actions to complete the 1st level of the functional classification by October and publish it in November in the 2022 budget. In addition, a simplified version of the economic classification of the public investment budget will be published for the first time in the 2022 budget. **The authorities have also started developing the 2nd level of the functional classification, a mid-2022 specific commitment.** It is

([1]) Council Recommendation of 18 June 2021 delivering a Council opinion on the 2021 Stability Programme of Greece, OJ C 304, 29.7.2021, p. 33–37.

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	expected to be finalised in April 2022, in time for the annual update of the Medium Term Fiscal Strategy. A working group for the preparation of the 2nd level of the functional was established in August with the participation of representatives from Hellenic Statistical Authority, Ministry of Finance and Ministry of Development and Investment.
(*) Arrears. The authorities will implement the arrears clearance plan and avoid the accumulation of new arrears. Complete the implementation of reforms identified by the Hellenic Court of Auditors.	**The target to materially clear the non-pension arrears by June 2021 has not been met**. According to July data, the stock of the net non-pension arrears amounted to €564 million, €274 million above the targets set in the updated clearance plan agreed with the European institutions in March 2021. Broadly, half of the slippage is observed in local governments and extra-budgetary funds. This deviation can be attributed both to delays in implementing actions designed to accelerate the arrears clearance such as granting a special allocation to entities with liquidity constraints and to the accumulation of new arrears despite the effort of supporting their liquidity with this special grant. According to the authorities, part of the decrease in the arrears through the special grant will be shown in the following couple of months. In addition, the defence industries, continue to hold a high stock of arrears. The authorities are trying to address all the technical and legal issues in order to improve the liquidity of these defence companies and clear their arrears. **The pension arrears stand above the target by €139 million.** The stock in July reached €359 million which falls behind the monthly target of €221 million. This deviation is mainly explained by the delay in issuing the Ministerial Decision that would allow certified lawyers and accountants to participate in the process of issuing pension awards. Despite the delay, the authorities reiterated their commitment to fully clear the pension arrears by end-2021. **The significant deviation from the targets, following shortly after the**

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	adoption of the new clearance plan, raises concerns. The divergence is observed across subsectors and cannot be fully explained by unforeseen idiosyncratic factors. Delays stem notably from coordination deficiencies at a ministerial level, time-consuming procedures and delays in implementing actions which are expected to have a long-lasting effect in decreasing arrears such as the incentive mechanism for local governments. The current delays make the target to materially clear the stock of non-pension arrears, which was due in June 2021, challenging to be met even by end-September. The authorities are invited to accelerate the implementation of all actions that facilitate the arrears clearance and prevent the accumulation of new ones, in order to avoid any future slippages from the agreed targets. **The vast majority of reforms identified by the Hellenic Court of Auditors have been completed**. Most of them relate to improvements in the recording, management and monitoring of the accounting systems, updates of the IT systems and improvements of the human resource management. The entities responsible to implement these recommendations are mostly big entities such as the Independent Authority for Public Revenue, the Single Social Security Fund, hospitals and ministries, where most arrears had been created in the past. Therefore, it is expected that the implementation of these reforms will contribute significantly to the prevention of new arrears. **Some of the remaining recommendations are in progress and are expected to be completed in the coming period and by April 2022 at the latest.** Most notably, the recommendations related to the update of Ministry of Development's IT system (e-PDE) is planned to be finalised by October 2021, while improvements of the legal framework for some types of tax arrears and interest paid, which are not clearly defined by the

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	current legal framework, are expected to be completed by April 2022. Despite the overall good progress, some of the recommendations concerning the defence industries, which hold a high stock of arrears, are behind schedule. The authorities are expected to clarify which actions will be taken in order for these recommendations to be completed in time. **Other reforms recommended by the Hellenic Court of Auditors will be fulfilled and further broadened through ongoing wider structural reforms included in Greece's recovery and resilience plan.** These reforms, most notably the development of the Single Social Security Fund's IT system in the context of the digitalization of the pension awards, the establishment of a coherent and functioning internal control system in public administration, the rollout of the accrual accounting reform in the general government entities and the development of new IT systems' functionalities of certain central administration entities in the context of new central government IT system (GOV-ERP) shall be completed at a later date. These reforms will be monitored under Greece's recovery and resilience plan. Finally, some of the reforms became obsolete such as the recommendations concerning the supplementary pension fund (ETEAEP) after it was incorporated in e-EFKA. **Along with the implementation of the recommendations by the Hellenic Court of Auditors, the working group responsible for the simplification of the legislative framework for the conduct of fiscal procedures has concluded its work, which is expected to help further the prevention of new arrears**. The report prepared by the group included proposals for reforming, updating, simplifying and codifying the legislative framework governing the fiscal management of the central administration. The proposals address the recommendations of the International Monetary Fund technical support report published in March

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	2020 ([2]). The authorities have prepared a timetable with a view to adopt the majority of the proposed actions by the end of the year while some of them are planned to be implemented earlier by October 2021. The proposals that need further evaluation and coordination with other stakeholders are scheduled to be adopted before May 2022. **The evaluation of the public financial management component of the internal control framework was completed.** It concluded that the public financial management component operates successfully, having satisfactory levels of management and supervision. The main features of a functional and reliable internal control system for financial management are already in place, but can be further improved. For instance, one of the main findings was the parallel use of a variety of information systems, which creates additional administrative burden but also prolongs the execution of procedures. This problem is expected to be addressed with the implementation of a new central government IT system (GOV-ERP), a project that is included in Greece's Recovery and Resilience Plan. The evaluation also highlighted the need to ensure appropriate staffing of financial services, including of specialized staff, and to develop a process of identifying, evaluating and dealing with the risks that threaten the achievement of the objectives set in annual plans issued by line ministries. Finally, the establishment and the operationalisation of internal control units in line ministries is on track for completion by the end of September 2021.

[2] Some of the legislative proposals concern the modification of the institutional framework in order to allow the payment of certain types of costs through simplified procedures, the review of the framework of fixed advances and the adoption of modern payment methods (e.g. through the use of prepaid or debit cards), the revision of the parameters for the approval of multiannual commitments, the possibility of granting to legal entities part of the annual grant at the beginning of the financial year without the need to prior submit the annual report of the previous year.

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Tax administration. Reach the agreed permanent staffing positions at the Independent Authority of Public Revenue of 12 500 by end-2019 and 13 322 by mid-2021. Make the end-to-end IT collection systems fully operational by mid-2021.	**The supplementary wage grid, a key element of the overall human resources reform for the Independent Authority of Public Revenue, which came into effect on 1 June 2021, has been successfully rolled-out to a significant number of its staff, thus completing this complementary commitment.** The number of staff of the Independent Authority remains well below the targets set, but has increased to 11 821 at the end of June 2021 compared to 11 736 in March 2021. The comprehensive human resources reform is expected to reverse the trend in the medium run by making it easier for the Independent Authority to attract and retain high calibre staff. It is recalled that as the set staffing targets were not being met, the authorities agreed to undertake three complementary commitments, namely (i) adopt a supplementary wage grid linked to job descriptions; (ii) enhance the autonomy of the Independent Authority as concerns its IT system/resources; and (iii) moving the central services of the Independent Authority into one location. The supplementary wage grid is now in place, while the Prime Minister announced plans in April 2021 of the construction of a Ministry Park that will be completed by 2026 and host nine Ministries and the Independent Authority in one single location. **The measures to ensure autonomy of the Independent Authority as concerns its IT system/resources will be implemented in the context of Greece's recovery and resilience plan.** Specifically, the plan includes a measure to develop new IT tools for the Independent Authority. As part of this measure, one of the steps covers the development of a new service level agreement between the Independent Authority and the Ministry of Digital Governance (Directorate-General for Information Systems of the Public Administration). It is noted that technical support will be provided by the European Commission for this specific action that is expected to be

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	completed by June 2022. **The end-to-end IT collection system, a mid-2021 specific commitment, is in a testing phase and the final system is expected to be in place by end-2021.** In preparation, a number of staff of the Independent Authority has received training on the new IT system, in order to ensure that the Independent Authority will be in a position to fully utilise this new IT system once ready.
Tax policy. Greece will undertake a nationwide valuation exercise of property tax value based on market values and will update property tax values for ENFIA and other taxes fully in line with market values.	**As announced in the 10th report, the authorities adopted in May 2021 the new property tax values based upon the nationwide revaluation, with the new values coming into effect for all property-related taxes in January 2022.** Work is currently being undertaken to improve the efficiency and fairness of the ENFIA tax based on the wider tax base. Legislation is expected in November 2021 with the 2022 ENFIA tax assessment expected to be brought forward to March 2022.
(*) Health care. The authorities will complete the full offsetting and collection of the clawback by June every year for the previous calendar year.	**The clawback collection is now progressing broadly according to schedule, following delays due to the pandemic.** Collection resumed in the past months and is now progressing almost according to the regular schedule, although the accumulated delay has not been absorbed yet. This is to some extent due to the collection method that relies on offsets, which requires new transactions to reclaim the clawback amounts from payments. Clawback collected under very long repayment plans (granted to providers, not to pharmaceutical companies), that in some cases will lead to a full clawback repayment only after 10 years, is technically considered as being collected. However, this practice deteriorates the liquidity of the national health insurance body (EOPYY). **Based on current progress, most of the 2020 clawback, for both pharmaceuticals and providers, could be collected by end-2021.**

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	Currently, the authorities have collected the first semester of pharmaceutical clawbacks for 2020, which was quantified at €795 million for the whole year, and they have started the collection of the second semester. The clawback for the second semester is lower than the one for the first semester, which reflects the effect of price negotiations and therapeutic protocols, as well as the exclusion of vaccines from the budget. For providers, the authorities have almost finalised the calculation and communication to providers, of the instalment plan for the 2020 clawback (€280 million), which allows to start the collection procedure. They have also started the collection of the 2021 clawback based on the recently legislated methodology that will allow to collect 70% of each year's clawback on a rolling basis (with the remaining 30% to be collected over the following 12 months).
Health care. Greece will ensure the rollout of the primary health care system, in particular by opening all 240 primary health care units.	**The authorities are further advancing with the revised draft of the Primary Health Care law, despite considerable delays due to the vaccination campaign.** The campaign to vaccinate the population against Covid-19 is progressing and this is still absorbing considerable capacity. The work on the revised law is progressing, although key elements of the commitment such as gatekeeping and compulsory patient registration are still being defined. The authorities committed to submitting the draft law to public consultation by mid-October and to adopting it by end-2021. **The authorities made progress on the number of doctors, which is a main bottleneck to the rollout of a comprehensive primary health care system in Greece.** According to the information provided by the authorities, a sufficient number of new staff members were recruited by July to allow for the opening, over the coming months, of 50 new health units (the TOMYs), mostly in remote areas. However, the exact number of newly recruited family doctors and a planned timeline for the new

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	openings are not yet available.
Health care. Achieve a 40% share of centralised procurement in total hospital expenditure by mid-2022.	**The adoption of the revised legislative framework for the National Centralised Health Procurement Authority (EKAPY) has been postponed to the next review, but procurements are progressing.** Despite the challenges posed by the pandemic, progress on centralised procurement has so far been steady and the new legislative framework for the centralised procurement body was finalised, but its adoption is planned for the next review, due to recent changes in the government. The new framework, now submitted to Parliament, introduces innovations such as financial incentives supporting the achievement of procurement targets that are expected to facilitate the achievement of the 40% target by mid-2022. Meanwhile, after successfully achieving the 30% target due by the 10th review, procurement activities are progressing with the launch of additional tenders.
Social welfare. Apply to all disability benefits the new approach for disability determination based on both medical and functional assessment.	**The authorities are advancing with the adoption of the primary legislation and are committed to completing secondary legislation by the end of the year, allowing for the use of the functionality-based disability assessment system to assess benefit eligibility for the purpose of their new trial Personal Assistance scheme for persons with disabilities.** Following the public consultation process that ended on 3 September, the authorities are about to submit to Parliament a draft law on social protection that, among others, introduces a Personal Assistance scheme for persons with disabilities where the new approach for disability determination based on both medical and functional assessment will apply as a rule. Secondary legislation to set out the details is expected to follow by the end of the year and the new functional assessment scheme will be used directly for in-kind benefit decisions from March 2022.
Social welfare. Complete the set-up of the single pension fund	**The openings of the single pension fund's (e-EFKA) directorates,**

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EFKA.	**which fully operationalise the merger of the many pre-existing small pension funds into a single national one, are progressing according to schedule.** According to the timetable, e-EFKA directorates openings reached 60 during the month of August, after which openings are planned at 15 per month. A slight delay was due to a change in the management of e-EFKA, which now has a new governor, however, the pace of new openings has increased and, based on current progress, the finalisation by March 2022 was confirmed as feasible.
(*) Financial stability. Greece will continue to implement reforms aimed at restoring the health of the banking system, including non-performing loans resolution efforts by ensuring the continued effectiveness of the relevant legal framework (i.e. household and corporate insolvency, out-of-court workout, non-performing loans sales, e-auctions) and taking all necessary actions to this effect. Greece will implement the comprehensive action plan on household insolvency with the objective to eliminate the backlog of cases, including the process of pending applications, by end-2021. The decision on liquidation or extension of the mandate for the Hellenic Financial Stability Fund will be taken by mid-2022. Greece will continue the relaxation of capital controls in line with the published roadmap.	**The initial signs from the use of the new insolvency framework are encouraging but it is too early to assess the effectiveness of the new process.** The new Insolvency Code has fully entered into force as of 1 June 2021. By end-August, practically all of the necessary secondary legislation had been published or was pending publication in the Official Journal, with the exception of 8 ministerial decisions that concern the early warning mechanism and the sale and lease-back mechanism. Moreover, a number of amendments to the text of the new Insolvency Code were adopted and published on 18 July, aiming at completing and clarifying specific provisions of the law to ensure its unhindered implementation ([3]). Work on the relevant IT infrastructure, which involves the out-of-court workout, the insolvency register and the vulnerable debtors' verification electronic platforms, has been completed on time and the platforms are operational. A second phase of work, allowing for the fully automated handling of applications by creditors and the operationalisation of the early warning IT platform, is planned to be completed by the end of September 2021. The new out-of-court workout has attracted strong interest, with 23 996 active applications for which

[3] Law 4818/2021 (OJ A 24/18.07.2021), articles 34-38.

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	data have been requested from institutional creditors as of end-August, corresponding predominantly to debtors with at least one non-performing loan. **The concessionary process for the setup of the sale and lease-back entity has been further delayed, although this does not seem to have affected the implementation of the other aspects of the insolvency framework.** Following the initial delay, due to the reflection of procedural steps in line with legal requirements for concessions, further time was needed to conduct a public consultation on the draft request for proposals and start the consultation with the statistical authorities on the interplay between the design of the new entity and its statistical classification, which will be a key factor for the determination of the cost of the scheme. Under the revised time plan, the five ministerial decisions related to the sale and lease-back mechanism will be drafted by end-February 2022 and adopted by early-April 2022, while the entity is expected to be in place by end-September 2022, following a three-stage concessionary process. According to the relevant provision of the Insolvency Code, the procedures for the protection of vulnerable debtors under the sale and lease-back mechanism will commence upon its operationalization. **The processing of the backlog of household insolvency cases**, an end-2021 specific commitment, **has resumed but is likely to take longer than initially expected, on account of several months of court suspensions related to the pandemic and a low case-processing capacity in a number of courts.** Up to end-August, new hearing dates had been appointed for just 7.5% of almost 50 000 submitted applications. This unsatisfactory situation is partly attributable to reasons linked to the pandemic, but it is also related to the limited case-processing

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	capacity in courts. The pandemic led the authorities to authorise all parties requesting a new hearing date to file a request by 15 July 2021, irrespective of the initial date of expiry of their right to do so. The authorities presented this step as an extraordinary measure to address the unforeseen disruption caused by the pandemic, stating that they do not intend to proceed to any further extension henceforth. Given that the appointment of a new hearing date can only be made 75 days after validation of the request by the court, and keeping in mind that deadlines in most areas of Greece had been suspended until 5 April 2021, the setting of new hearing dates would have begun at the earliest by end-June 2021 for most cases. Under the circumstances, the end-2021 deadline for the specific commitment for processing the backlog is no longer attainable. While the European institutions encouraged completion of the commitment by April 2022, the specific date can only be determined in the next enhanced surveillance report, based on data for the number of still pending cases to be provided by the authorities. Finally, the authorities plan to enact by end-September 2021 a Joint Ministerial Decision making mandatory the uploading of new hearing dates onto the relevant electronic platform. **While the revised Code of Civil Procedure will facilitate the conduct of e-auctions and other enforcement proceedings, the deferral of its adoption and entry into force will delay its expected positive impact.** Originally projected for operationalization at the beginning of the new judicial year in mid-September and despite repeated reassurances by the authorities regarding adherence to schedule, the Code is now expected to be adopted by 30 September, with a projected entry into force on 1 January 2022. With respect to enforcement proceedings, the new draft Code is expected to introduce a system for the automatic adjustments of the reserve price (initial and subsequent) of properties following an

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	unsuccessful auction and will allow several prospective purchasers to bid in common for properties. These are welcome elements, as they will (a) remove the element of arbitrariness in revising the reserve price (thus increasing the effectiveness of the auction process and alleviating the case burden of courts) and (b) encourage the pooling of resources of several bidders in view of the acquisition of high-value properties. Beyond these changes, the new draft Code is also expected to introduce enhancements aiming at accelerating the conduct of trials, by further streamlining procedures and integrating and broadening the use of IT by courts and legal professionals. It is also expected to introduce the feature of pilot trials in civil justice. **An additional work stream has been launched with respect to increasing the efficiency of procedural aspects of the conduct of e-auctions of debtors' property.** Following the recent introduction of enhanced features to the platform (such as photographic data and valuation reports), as well as the establishment of a firm deadline for redressing building permit transgressions, the authorities have set up two working groups entrusted with formulating proposals for further simplifying and streamlining the methods for producing accurate valuations of properties. The working groups intend to propose changes aligning valuation criteria with best international practices (first working group) and enabling judicial bailiffs to access information available on the e-property-transfer tax platform, as well as a number of other parameters from other public registries affecting the valuation of the property (second working group). The first working group is expected to submit its proposals by end-November 2021 and the relevant measures would be adopted by mid-April 2022; information on the progress of the second working group will be made available in the course of the next enhanced surveillance mission. The authorities were encouraged to make

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	the above-mentioned information readily accessible to prospective purchasers through the e-auction platform, in order to increase its transparency and facilitate the assessment of the auctioned properties. **The clearance of the backlog of called state guarantees remained delayed in the second quarter of 2021 but recent data have provided encouraging signs of an acceleration.** Although new staff has been in place since early April 2021, the time needed for training did not allow for a satisfactory pace of clearance before June 2021, with actual payments falling short of the second quarter target by 84%. The overall target for 2021 has therefore been revised downwards by 43%. The new target also reflects a slower roll-out of the planned hiring of 30 additional new permanent staff, which is not expected to take place earlier than November 2021. Despite this downward target revision and a much better pace of clearance in the period June-July, meeting the revised targets set for 2021 remains challenging. This revision of the intermediate targets is not expected to affect the overall target of full examination of accumulated called loan guarantees by mid-2023 for natural persons' claims and by the third quarter of 2022 for corporate claims. **The necessary secondary legislation to ensure full operationalisation of the deferred tax credits framework was adopted in July 2021, while the relevant primary law will be amended shortly to further facilitate securitisations and sales of non-performing loans**. The adoption of the relevant secondary legislation is a welcome step, as it safeguards the loss-absorbing capacity of the banks' capital in all cases, including in the context of resolution and special liquidation. The new framework has been activated by a less-significant credit institution, which has registered annual losses on a solo basis, triggering conversion of deferred tax credits. At the same time, the expected amendment of

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	article 27 of law 4172/2013 will enable the acceleration of sales and securitisations of non-performing loans by smoothening the amortisation of the related deferred tax assets, while preserving their recoverability for the originating credit institutions. The European Central Bank has issued a formal opinion on the amendment, following a request by the Greek authorities. **The recent destructive fires have led to relief measures for fire-stricken debtors.** A six-month suspension of all enforcement actions on both movable and immovable property has been granted for affected debtors, in application of Law 4797/2021 for State support in natural disasters. This may delay a more comprehensive assessment of the effectiveness of the upcoming enhancements to the e-auctions framework. Moreover, banks may, on a voluntary basis, provide a payment moratorium of up to six months for all performing debt of debtors whose primary residence or business premise has been damaged by the fires, subject to an assessment of the debtor's relevant application. **Discussions have started on the future of the Hellenic Financial Stability Fund.** A legal amendment, touching upon the duration, governance, divestment strategy and special rights of the Fund, is under preparation, with the aim to be adopted by October 2021.
(*) Labour market: Greece will safeguard competitiveness through an annual update of the minimum wage in line with the provisions of Law 4172/2012.	**The procedure for updating the statutory minimum wage, put on hold following the outbreak of the pandemic, was completed leading to a 2% increase in its level as of 1 January 2022.** The process involved consultations with research, scientific and social partners and their review by five independent economic experts set by the Ministers of Labour and Social Affairs, Finance and Development. The outcome of the process led the government to decide on increasing the statutory minimum wage by 2% (from €650 to €663 per month) as of 1 January 2022. All material of

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	the consultation process was made publicly available by the Ministry of Labour and Social Affairs as envisaged by the legislation.
Investment licensing. Complete the investment licensing reform, and to this end fully deploy the relevant ICT.	**Despite long delays in the tendering procedure, the contract regarding the full deployment of the relevant IT system to support the investment licensing framework was recently signed, thus fulfilling this specific commitment.** Given the size of the project and the anticipated length of the tendering procedure, it was agreed at the launch of enhanced surveillance monitoring that the commitment would be assessed on the basis of the conclusion of the relevant tendering procedure and the drawing of a 34-month implementation timeline for the completion of the project, which was included in the tender documents. The preparatory work for the development of the project is underway.
Investment licensing. Greece will finalise inspection legislation.	**The authorities completed the reform in two out of the three priority areas, namely food safety and product safety, whilst progress in the last area, i.e. environmental protection, is slower than expected mainly on account of ongoing wider environmental reform undertaken and the highly technical nature of the work that remains to be completed**. Specifically, the authorities recently adopted secondary legislation to set in force the remaining part of the complaint management model on the safety of non-processed food, thus fully completing the reform in the area of food safety. As regards environmental protection, which was due to be completed by end-May 2021 according to the 10th enhanced surveillance report, the authorities drafted primary legislation to amend sanctions and enforcement powers of inspecting authorities. Work on secondary legislation to detail the enforcement management model in line with EU best practices and to be used as a guide to inspectors' decisions is also ongoing. The said legal texts are expected to be adopted by October 2021. As agreed at the launch of enhanced surveillance

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	monitoring, and considering the wide scope of the reform, the commitment is assessed on the basis of completing the inspections reform in the said three priority areas. **The roll-out of the reform in the remaining four areas, namely consumer protection, occupational health and safety, safety of infrastructures, and public health, which go beyond the specific commitment, will be further followed up under Greece's recovery and resilience plan.**
Investment licensing. Greece will finalise the simplification of investment licensing procedures in the agreed remaining sectors.	**Progress is recorded on the simplification of legislation in the agreed sectors.** Following the set of simplified licensing legislation adopted in April 2021, the authorities adopted further primary legislation in June 2021 to reform the licensing of economic activities in all agreed remaining sectors. Further, they also drafted primary legislation to simplify the economic activities relating to education that have not been included in the scope of the previous simplification round, with a view to adopting it shortly. **At the same time, the authorities have been proceeding more slowly with the adoption of secondary legislation, which is necessary to make the new provisions of the above-mentioned laws fully operational.** Specifically, while the first batch of joint ministerial decisions concerning the April legislation has been put in place, the full adoption of the second and third batches, in addition to secondary legislation acts concerning the June legislation, is slightly behind schedule and expected to be adopted shortly. Similarly, secondary legislation concerning the education activities is expected to be adopted by end-October- 2021. **It is welcome that the authorities issued, in July 2021, the presidential**

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	decree for the creation of the registry of certified external environmental assessors. This is a key step towards the deployment of private resources in the environmental licensing process, and a pending requirement since the end of the third programme.
Cadastre. Greece will fully establish the cadastral agency and complete 45% of cadastral mapping by end 2021, with a view to ratifying the complete cadastral mapping and forest maps by mid-2022.	**The implementation of the road map for the implementation of the cadastre project progresses satisfactorily.** The corporate strategy has been approved by the governing board and is under implementation. The IT strategy has also been completed. The contract with the World Bank was signed on 30 June. The opening of cadastral offices progresses steadily with two new offices per month. Consequently, the corresponding mortgage offices are closing down. As of the end of August, there are 9 cadastral offices in operation and 28 branches. The objective of having 44 cadastral offices and branches (out of a total of 95) in operation by October 2021 and 50 in December 2021 is in reach. 82% of the total property rights of the country have been collected until end-August and are in operation or being processed. **Regarding forest maps, the recent legislation extending by six months the period in which citizens may raise objections resulted in a delay of the ratification of the remaining 50% of maps.** The authorities' view is that the corrections that were recently made to include administrative acts that clarify the forestry legislation in some areas – in particular in islands in the southern part of the country – where grassland was registered as forest, will improve the quality of maps and reduce objections. The ratification of the remaining maps will start at the end of the year and is expected to be completed by April 2022, in accordance with the revised road map. It is estimated that by that date, 90-95% of the territory will be covered by ratified maps. The delay in ratification does not impede the completion of the cadastre as the Council of State has

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	recently adjudicated that the completion of the forest maps is not a pre-condition for the operation of the cadastre and that forest maps may be drawn in parallel. **The authorities have adopted a new law on the cadastre.** The objective of this law is the acceleration of the cadastral mapping by including the objections period in the operation of the cadastre, making the objections visible to all interested parties and gaining substantial time. Another part of the law concerns the upgrading the internal organisation and operation of the Hellenic Cadastre and a third part is the introduction of the "Electronic Real Estate Transfer" system, a novelty aiming to simplify and significantly reduce the total duration of the property transfer process and thus improve Greece's position in the World Bank's Doing Business indicator.
Energy. With a view to completing reforms in the energy sector, implement the measures agreed as part of the joint assessment on the NOME auction system.	**A final text for the remedy has been agreed with the authorities and was made binding on the Hellenic Republic by a Commission Decision.** Following the implementation of the necessary legislative measures into Greek law, and the adoption of all necessary regulatory and corporate measures, the first milestone under the remedies is expected to be accomplished by 28 September 2021, thus completing this specific commitment.
(*) Hellenic Corporation of Assets and Participations (HCAP). The Strategic Plan of HCAP will be implemented on a continuous basis.	**The Corporation intensified the work on the update of its strategic plan.** Two strategy workshops were held in late June and early July 2021 for the members of its Board, with a view to clarifying the Corporation's responsibility as an active shareholder in terms of the engagement of the Corporation in the state-owned enterprises. The Corporation has also launched a consultation process with the Boards of Directors of its subsidiaries regarding its strategic plan. The completion of the strategic

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	plan is expected by end-October. **The Steering Committee envisaged under the Coordination Mechanism intensified its work on the preparation of a performance contract for the Athens Urban Transport Organisation (OASA).** Following the agreement reached on the detailed list of special obligations to be subject to the performance contract, the Committee has reached an agreement on the methodology to estimate the amount of compensation for the assumption of special obligations. The performance contract is expected to be finalised by end-October. The performance contract will be a further important step forward in clarifying the financial contribution of the State to public policy costs, and toward the Athens Urban Transport Organisation's operational improvement, independence and financial sustainability. **The Corporation will need more time for the conclusion of the work of identifying legal and other impediments to the effective operation of the state-owned enterprises in its portfolio.** The elimination of key impediments is part of an overall mind-set shift towards ensuring that state-owned enterprises under the Corporation become commercially oriented and financially self-sufficient operations, and do business in a customer-centric way and in line with private sector principles. This mind-set shift also implies a degree of commercial risk taking and risk management, and proactive and autonomous decision-making in the corporate interest and in pursuit of each state-owned enterprise's mandate. The authorities have confirmed their strong support for pursuing this measure, which is consistent with the more general project for reforming the framework applicable to state-owned enterprises set out below. The Corporation has sought input from its portfolio companies and committed to prepare a more comprehensive list of the e necessary

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	changes by end-October. The authorities have engaged from an early stage with the institutions on these initiatives, which is very welcome. **The authorities continued the work on the modernisation of the institutional framework for state-owned enterprises.** Over the past two months, the authorities embarked on mapping the state-owned enterprises and other public entities into 6 main categories based on a number of criteria, including the share of the state's participation, fiscal consideration and board appointment procedures. Following the completion of the mapping exercise, the authorities will prepare recommendations for each category of enterprises with a view to enhancing the state-owned enterprises' efficiency and performance, and rationalising the State's participation. **The Public Real Estate Company (ETAD) is expected to elaborate a comprehensive strategy to achieve an ambitious target yield across its portfolio the soonest possible.** While some projects at the Public Real Estate Company are progressing, an overall approach to delivering value from the whole portfolio and attempts to achieve a step-change in the Company's performance have not produced systemic results. The problems at Public Real Estate Company appear significant. Turning this situation around, and delivering value from the real estate portfolio, is a critical responsibility of the Corporation. **With regard to the transfer of the eligible real estate assets included in the 2018 package to the Public Real Estate Company, following the completion of the screening process by the General Secretariat for Tax Policy and Public Property, a more detailed review by each relevant Ministry is planned.** Following this exercise, a final list of assets for transfer will be developed. The authorities are expected to

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	clarify the timetable for the process.
HCAP. Complete the transfer of the Olympic Athletic Centre **(**OAKA) to HCAP.	**The authorities continued with the development of the master plan, which is close to its finalisation.** The details of the future of the facility will be worked out as part of subsequent processes. With the assistance of external consultants, the authorities are preparing feasibility and financial studies that are expected to be completed by the end of the year, and which will provide input to ensuring the financial sustainability of the facility. The financial sustainability of the facility is essential to guarantee a high-quality civic facility for the Greek public over the long term.
Privatisation. The Asset Development Plan will be implemented on a continuous basis. With a view to swiftly attracting investment to support a sustained economic recovery, complete the transactions on Hellinikon, HELPE, Egnatia, DEPA commercial, regional ports of Alexandroupolis and Kavala, AIA shares, EYDAP and EYATH. By mid-2021, complete the transactions on the regional ports Igoumenitsa and Kerkyra, PPC, DEPA infrastructure and Kavala underground storage. By mid-2022, complete the transactions on a number of other regional ports, based on the recommendations of the consultants of TAIPED.	**The Government Pending Actions List was updated by the Fund in June 2021.** **Progress with specific transactions since the last report has been as follows**: **Hellinikon**: The agreement for the transfer of the shares from the Hellenic Republic Asset Development Fund (Seller) to Hellinikon Global (Buyer) was signed on 25 June 2021, achieving the financial conclusion of the transaction. Within this framework, the Fund received on 25 June 2021 the amount of €300 million as the first instalment payment out of a total financial consideration of €915 million. Prior to that, all remaining pending legal cases were resolved via relevant decisions issued by the Council of State on 16 June 2021, whereas the two main contracting parties, i.e. the preferred investor and the Fund, with a view to preventing further delays, agreed on 16 June 2021 to waive the condition precedent with regard to the casino licence. **Egnatia:** Good progress was made in the tender process for the long-term concession of Egnatia over the past months. Following the rejection of the

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	application for interim measures, the Fund proceeded with the unsealing and review of the technical offer, whereas the unsealing of the financial offers took place on 15 July and the selection of the preferred investor was made on 26 August for a financial consideration comprising of an upfront payment of €1.4961 billion and an annual payment amounting to 7.5% of the annual total gross revenue of the concessionaire. A fourth cluster of 8 lateral toll stations was put in operation in July, whereas the remaining 7 lateral and one frontal toll stations are expected to be put in operation in the coming months. The pending works for most of the tunnels have progressed further, whereas the licensing of the remaining 16 tunnels to category E (i.e. excluding the transport of dangerous cargo) is planned to be completed before the concession commencement date expected in late 2022. Close monitoring will continue. **Regional ports of Alexandroupolis and Kavala:** The Fund, in cooperation with the Ministries of Finance and Shipping, proceeded to drafting (a) the Concession Agreement for the port of Alexandroupolis, and (b) for the Sub-Concession Agreement for the port of Kavala, and the drafts are expected to be given for comments to the prequalified investors of each tender respectively in the coming weeks. However, there is a pending issue that needs to be resolved before proceeding to the binding offers phase for the port of Alexandroupolis, namely the conclusion of the expropriation of private properties in the upland zone area of the port; the amounts concerned for the compensation of the expropriated land are to be determined by the competent courts, and this could lead to a delay of the transaction. **Regional port of Igoumenitsa:** The Fund drafted the Sale and Purchase Agreement and the Shareholders Agreement and the specific documents were given to the prequalified investors in the tender at the end of July for

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	comments. The Concession Agreement document is expected to be finalised in the coming weeks and it will be subsequently given to the pre-qualified investors. The pending issue on the determination of the zone of Igoumenitsa port, which will be subject to the concession agreement, is expected to be resolved in the coming weeks and thus the tender process can proceed. **Regional port of Heraklion:** The tender process is proceeding. Interested parties submitted their expression of interest on 17 September 2021. **Public Gas Corporation (DEPA) Infrastructure:** The tender process is proceeding well. The pending issues have been resolved with the ratification of the required law amendments, on 29 June, which provide further clarity on the framework for the operation of the distribution system operators. Binding offers were submitted by two investor schemes on 15 July 2021, whereas the selection of the preferred investor took place on 9 September 2021 for a financial consideration of €733 million. This corresponds to about €476 million for the 65% stake of the Fund in DEPA Infrastructure. **Public Gas Corporation (DEPA) Commercial:** The Fund decided to suspend the Binding Offers Phase of the tender at least until end-September 2021, so as to have more clarity on the outcome of pending issues. **Underground Natural Gas Storage (UGS) South Kavala:** Following the assessment of the Investors Expressions of Interest, two interested parties prequalified for the Binding Offers Phase. Based on the envisaged timeline of the tender, submission of binding offers is expected in the first quarter of 2022. The authorities plan to clarify the regulatory framework, including the tariff setting framework, in advance of the binding offers

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	date. As reported in the previous reports, some transactions had to be delayed following a significant fall in the assets' capitalisation value or the impact of the pandemic on the level of economic activity. This applies to the Hellenic Petroleum and the sale of 30% of Athens International Airport.
Public administration. Complete the integrated HR Management System (digital organigram for all public entities and link with single payment authority).	**A link between a job description and a jobholder has been established for close to all occupied posts (97.6%), which constitutes an important step towards the establishment of an integrated HR Management System.** The successful completion of this exercise will facilitate the management of human resources in the public administration through interconnecting the records on each jobholder in the census of public officials, the Single Payment Authority and the human resources departments. Furthermore, 80% of all job descriptions are planned to be completed by end-October, up from 71% at end-August, and all posts are planned to have an assigned job description by end-2021, which would complete this specific commitment. Finally, the appointment process for the Permanent Secretary post at the Ministry of Education and Religious Affairs remains ongoing. The authorities are expected to complete the process the soonest possible.
Legal codification. In view of enhancing legal certainty and access to law through legal codification, adopt the Labour Law Code and Code of Labour Regulatory Provisions. Complete the National Gateway for Codification and Reform of Greek Legislation by mid-2022.	**Following the adoption of the labour law reform, the legal codification of the Labour Law Code and Code of Labour Regulatory Provisions is now progressing and the initial draft is expected to be submitted to the Central Codification Committee by early 2022.** The Committee will proceed with the review of the codified legislation as a priority. **The contract for the development of the National Gateway for Codification and Reform of Greek Legislation has been awarded,**

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	effectively closing this specific commitment. It was agreed in the context of the 4th enhanced surveillance report in November 2019 that the completion of the National Gateway within the original timeline by mid-2022 is not feasible. The commitment is therefore assessed as completed on the basis of award of the underlying tender, the implementation of which is supported through EU funds. It is recalled that the National Gateway for Codification and Reform of the Greek Legislation aims to establish a platform where codified legislation that is thematically classified can be accessed by the general public. In particular, through the National Gateway for Codification, citizens, businesses and public bodies will have direct and free electronic access to updated and codified legislative and regulatory texts. This process is expected to improve the quality of laws and regulations as well as the systematic updating of legislation directly in the codified law, which will enhance transparency and reduce the risk of overlapping or contradictory provisions being adopted. The contract has a duration of 36 months and is EU-funded through the National Strategic Reference Framework.
Justice In the context of implementing the Three-Year Action Plan on Justice, implement the electronic filing of legal documents throughout the Courts, having completed the tendering procedure. In the context of implementing the Three-Year Action Plan on Justice, complete phase II of the establishment of the e-justice system (OSDDY-PP).	**The authorities have made good progress on the specific commitment on electronic e-filing in the current reporting period.** In particular: **(i) Regarding the implementation of e-filing in civil courts, the authorities reported further progress regarding the electronic issuance and distribution of court documents and certificates.** More specifically, five first-instance courts were added to the list of courts henceforth issuing their decisions electronically. Moreover, the integrated e-insolvency certificate is now available throughout the territory of Greece. A Joint Ministerial Decision is being drafted to allow for the operationalization of the e-divorce platform.

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	(ii) Regarding the implementation of mandatory e-filing in administrative courts, the service is currently operational, with an extensive functionality that will be further extended on completion of a recently launched call for proposals. Currently, the lodging of all introductory submissions (civil claims against the state and public entities, appeals, annulment petitions and cassation petitions, as well as interim protection requests) and the issuance of court certificates are supported; moreover, the interoperability of the administrative courts' IT system with the IT system of the Legal Council of State is being tested in pilot mode as of the beginning of September 2021; upon full operationalisation it will enable the written submission of memoranda by the administrative services in the context of pending procedures. In order to further expand the system's functionality, ensuring full interoperability with the bar associations' portal and introducing the lodging of additional categories of written submissions through the existing infrastructure, a competition for the provision of services was launched on 10 June 2021. The deadline for the submission of the necessary documentation in view of the awarding of the contract expired on 13 September 2021 and the next steps are the signature of the contract and the implementation of the project. The authorities intend to put the completed project on a pilot trial in February 2021 and in fully operational mode by end-March 2022. This entailed a transposition of the initially contemplated August 2021 deadline for the pilot phase. **(iii) The project of the distribution of e-signatures to judges and clerical judicial staff has been completed.** 10 000 e-signatures (out of a total of 11 000) have been handed over, with the remaining 1 000 already available and awaiting for the submission of certification requests by their recipients.

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	Greece's recovery and resilience plan includes a number of welcome follow-up measures that will further pursue and broaden the objectives of this reform. For instance, in administrative courts, the plan includes a project for the addition of further functionality, to support the lodging of all documents (including evidence) at all stages of judicial procedures, as well as the electronic issuance, service and dissemination of court documents and the conduct, in general, of all procedures performed by all administrative courts. **While the preparatory stage for the launch of the call for bids for the integrated case management system for civil and criminal cases ('OSDDY-PP') has incurred some delay, the authorities confirmed that the project remains on track for completion in the first quarter of 2022.** The Memorandum of Understanding between the Ministry of Justice and the Society of Information (the procurement authority) was concluded in July 2021, and the draft call for proposals is expected to be finalised and submitted to public consultation by end-September 2021; the authorities intend to launch the call for proposals by end-October 2021 and are expecting that the contract is expected to be awarded, as planned, in the first quarter of 2022.
Fight against corruption. Implement all recommendations addressed by the Group of States against Corruption (GRECO).	**The authorities have put forward measures to address the three remaining recommendations from GRECO's fourth evaluation round.** 1. Recommendation on the selection of senior positions of judges and prosecutors and disciplinary proceedings: The new code on the organisation of justice and the status of officers of the courts will aim at enhancing the process within the current constitutional framework. The code is planned to be adopted by the Parliament by December 2021 and

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	to enter into force upon publication in the Official Journal (see below). 2. Recommendation on providing guarantees against delays and improving caseload management: A number of actions is under way to address this recommendation, such as the establishment of e-justice systems, relevant provisions and improvements in various codes (e.g. organisation of justice and the status of officers of the courts, judicial clerks, civil procedure, criminal procedure, procedural code for court of audit), the establishment of JustStat unit for judicial data collection, and legislative initiatives already in force (mediation law, family law). This recommendation is expected to be implemented by April 2022. 3. Recommendation on setting clear standards of professional conduct and integrity: The authorities adopted a charter of ethics for the judges of the Court of Audit (November 2020), and plan to adopt codes of ethics for judges of administrative and criminal courts by December 2021. **The set of recommendations concerning bribery of public officials, included in GRECO's ad-hoc report, have not been implemented yet, but the adoption of a legislative initiative to address them is progressing.** The recommendations followed amendments in the criminal code and the criminal procedure code in June 2019 that softened sanctions for criminal offences for bribery of public officials. Specifically, these recommendations concern the penalty framework for active bribery, abstention of prosecution, prosecution of foreign officials, and provisions of effective regret. A legislative proposal to address this set of recommendations is foreseen to go through public consultation by October 2021 and the submission to the Parliament is expected by December 2021. **Implementation of actions that go beyond the scope of this specific**

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	commitment, namely the National Anti-corruption Plan, asset declarations, political parties financing and of the new law on internal control will be further followed up under Greece's recovery and resilience plan.

Complementary commitments undertaken by Greek authorities in May 2020

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Better regulation. Achieve improvements in the regulatory framework for doing business in the areas of construction permits, obtaining access to electricity, registering property, resolving insolvency, accessing credit, protecting minority investors, contracting with the government, enforcing contracts, starting a business, paying taxes, and trading across borders by mid-2021.	**Decisive steps to simplify the regulatory framework and lay the grounds for the creation and expansion of competitive firms have been taken until mid-2021.** Notably, the interconnection of the General Commercial Registry (GEMI) with other public systems, such as the social security system (e-EFKA), is expected to further facilitate the process of starting a business. Moreover, through the recent introduction of the electronic property file and the online platform for the property transfer tax, the authorities expect to halve the total time taken to transfer a property, whilst ensuring that professional service groups such as engineers, notaries, lawyers, as well as citizens would have easy access to the relevant information. **These actions, including in the areas of improving the process for obtaining construction permits, connecting to electricity, accessing credit, and enforcing contracts will be further followed up under Greece's recovery and resilience plan.**
Labour law. Improve and modernize the framework for individual labour law, including tackling the issues of highly restrictive overtime rules, unnecessary sectoral differentiation, white collar/blue	**The reform of the labour legislation was adopted in June, as expected in the 10th report.** The implementation of the actions envisaged in the reform will be further followed up under Greece's recovery and resilience

Complementary commitment	State of play and next steps
collar rules, and take account of flexible and home working, as well as implement these measures through secondary legislation, by September 2020.	plan.
Justice. Introduce an action plan for the creation of specialized court chambers for specific categories of cases to improve the delivery of justice, particularly in areas of high economic impact, and introduce the adequate legislation by mid-2020.	**Following the Athens and Thessaloniki courts of appeal and the Thessaloniki court of first instance, the authorities reported that the administrative plenary formation of the Athens court of first instance resolved the creation of special chambers on in July 2021 and is in the process of amending its internal regulation to that effect.** The amended regulations need to be approved by the Supreme Court; once approved, they will be published in the Official Journal and will enter into force, marking the full completion of this initiative.
Justice. Enact the new Code of Judicial Staff and present a timetable for the adoption of the New Code for the Organization of Justice and the Status of Officers of the Courts by May 2020.	**Work is ongoing on the Code for the Organisation of Justice and the Status of Officers of the Courts.** The revised draft code was submitted by the law-drafting group to the Ministry of Justice and, following review by the plenary formations of the supreme courts, it is currently being finalized with a view to conducting a public consultation. The authorities confirmed that the Code is planned to be adopted by Parliament by December 2021 and enter into force upon publication in the Official Journal.
Justice. Present an action plan for the creation of a specialized 'JustStat' unit for data collection and processing to measure and improve the performance of the judicial system by mid-2020; introduce the relevant legislation by June 2020.	**The authorities expect to have adopted the requisite secondary legislation to operationalize the JustStat unit by October 2021, with a 4-month delay compared with the timeline presented in the 10th report, and are proceeding with the appointments of staff and supervisory body members.** The relevant secondary legislation is expected to be adopted by means of a Presidential Decree by end-October 2021. According to the authorities, the Justice Statistics entity within the Ministry of Justice will be fully staffed by end-September 2021; by the

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	same date, the members of its supervisory committee will be appointed.
Public administration. Strengthen the efficiency of the personnel selection system through improving the capacity of the Supreme Council for Civil Personnel Selection (ASEP), including in the areas of competition procedures, scoring classification procedures, temporary staff hiring procedures, and the Council's organisation by end-2022.	**A detailed action plan has been finalised through technical support provided by the European Commission aiming to strengthen the hiring process for civil servants, effectively closing this complementary commitment.** The action plan sets out over 20 actions under three main components (1. Planning of selection procedures cycles; 2. Modernizing Admission Testing; and 3. Conduct selection procedures cycles) that aim to modernise the personnel selection system, including specific actions targeting the organisational transformation of the Supreme Council for Civil Personnel Selection (ASEP). This step effectively closes this complementary commitment. The implementation of these actions will be followed up under Greece's recovery and resilience plan.
Public administration. Strengthen the hiring control of the public sector through setting an annual ceiling of temporary staff by end-2020, which will be applied from 2021.	**The authorities have completed the assessment of existing temporary staff categories and adopted relevant legislation, which will facilitate the definition of an annual ceiling that will be set by October 2021 and be applied as of 2022.** The annual ceiling will be defined through the adoption of a Joint Ministerial Decision that will set a ceiling on the recruitment of temporary staff for 2022 onwards. Further, the hiring of 10 500 teachers on permanent posts is expected to result in a corresponding reduction of temporary teachers. The authorities have confirmed that this reduction of temporary staff will be evident as of October 2021 in the following staffing category as reported in the census ('*Apografi*'), "fixed term with limited duration, hourly paid, project contract that burdens the state budget". **As part of the authorities' ongoing efforts to strengthen central control of human resources management, legal provisions have been adopted to address a number of deviations identified related to hiring provisions.** The adopted provisions address more than 70 exceptions

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	concerning the mobility scheme that were considered obsolete and/or unjustified. At the same, following the completion of an exercise listing all deviations to the mobility scheme, the authorities assessed that the majority of the exceptions granted (around 150) were justified and should therefore be maintained. Further, a complete list of deviations from the unified wage grid covering the period from 2016 until today is expected to be finalised by November 2021. Following this, legal provision(s) addressing these deviations in a systematic manner will follow by the first quarter of 2022. Finally, the inter-ministerial committee has finalised its technical work and is currently working on defining specific recommendations to be presented to the Council of Ministers on the revision of the methodology for the allowance for hazardous and arduous work. The recommendations are expected to be finalised by end-September with legal provisions being adopted by end-2021.
Management of public real estate. Draw up a holistic and coherent strategy aiming to optimize the protection, management and investment-oriented exploitation of public real estate, including all organizations involved with public real estate management, without prejudice to their mandates, by September 2020.	**Preparatory work on drawing up a holistic and coherent strategy continued.** The Hellenic Corporation of Assets and Participations is in the process of collecting all the required information for drafting the request for proposal for the consultant that will work on the study for the elaboration of the real estate strategy. The agreed scope of the study includes the identification of international best practices and mapping of current situation / gaps, sustainable development of the public property and areas for reform of the framework for the development of public real estate assets. The strategy is expected to be finalised in the second quarter of 2022.
Strategic project pipeline. Fully develop a Strategic Project Pipeline of large infrastructure projects with the objective to better coordinate and monitor future public expenditures and maximize complementarities between private, public and EU funded projects	**The Government Committee for Contracts of Strategic Importance became fully operational mid-July**. The preparation of the first Development Programme of Contracts of Strategic Importance is expected to be concluded by mid-October. With the preparation of the first

Complementary commitment	State of play and next steps
by January 2021.	Development Programme of Contracts of Strategic Importance, the commitment will be considered as completed.
Project preparation facility. Develop and fully operationalize an improved support and delivery mechanism for project preparation and implementation to ensure efficiency and quality of both public sector infrastructure projects as well as Public Private Partnerships by March 2021.	**Despite minor delays, the Project Preparation Facility is gradually becoming operational.** The Facility is intended to prepare strategic projects included in Greece's recovery and resilience plan, EU structural funds and the national investment programme. The initial list of recovery and resilience plan's projects to be assigned for maturation is under preparation and it is expected to be finalised by end-September, whereas the tender process for framework contracts for consultants will be launched immediately upon the finalisation of the list of projects. Regarding projects funded under the Recovery and Resilience Facility, funding will be made available upon assignment of the projects; for other projects, there are ongoing discussions between the Fund, the Hellenic Corporation of Assets and Participations and the Ministry of Finance so as to ensure adequate prefunding. Further, by the end of August, the authorities completed the staffing process of the unit with the core team, whereas the additional required staffing will take place following the finalisation of the said list of projects. The Fund has concluded the technical work on its accounting system and is in a position to have separate accounts for the project preparation facility. The Fund has engaged a private consultant to support it in the setting up and the staffing of the unit. The unit is expected to become fully operational by mid-October.
Public procurement. Adopt a new public procurement strategy for 2021–2025 by end 2020.	**The authorities adopted a new national public procurement strategy for 2021-2025 and, albeit with few delays, are expected to complete the adoption of the remaining secondary legislation identified as critical for the operationalisation of the new law on public procurement soon, following steady progress over the past months.**

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	Key elements of the said reform initiatives include the digitalisation of public procurement processes and upgrade of relevant systems, the introduction of modern tools and e-services in the public procurement lifecycle, improvements in the governance and control framework and professionalization of involved staff, strengthening of central purchasing, and the promotion of greener technologies in public infrastructure projects. Further, they completed the mapping of all remaining secondary legislation deriving from the law, to be implemented as part of the new strategy. An oversight and coordination structure for the implementation of the new strategy is also in place, following the recent adoption of a secondary legislation act. With a view to ensuring economies of scale and efficient procurement procedures for infrastructure projects and related services, the authorities issued secondary legislation to define the categories of contracts to be undertaken by the Central Purchasing Authority under the Ministry of Infrastructure, as a first step towards achieving centralised procurement in this area. According to the authorities, priority projects for centralised procurement comprise of the development and maintenance of road infrastructure, and studies for the development of climate-resilient infrastructures. **Implementation of the new strategy, including adoption of remaining secondary legislation of the new law, which is a dedicated action under this strategy, will be monitored under Greece's recovery and resilience plan.**
Education. Enhance the autonomy of higher education by strengthening the accountability and transparency framework and through the introduction of the University Council by end-2020.	**The authorities have presented in July a policy paper indicating the main directions of a new law on higher education**. The draft law itself will be voted in Parliament at the end of the year, somewhat later than what was envisaged under the 10th report. The reason for the delay is that four major education laws were adopted in 2021, which strained the

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	resources of the Ministry. The authorities are expected to clarify the timeline for the adoption of the law by October. The main priorities to be addressed in the new law include a) a way forward following the abolishment of the technological education that effectively happened with the absorption of the technological institutions by the universities, b) the increase of the administrative and educational autonomy of the universities and c) the governance of the universities, where the principle of separation of the governing council from the management of the university (dean, rector, senate) is expected to ensure the necessary transparency and accountability following the higher degree of autonomy. In particular, the coming bill is expected to include among others, the following components: a) internal restructuring of Higher Education Institutions, b) governance model, c) degree structure (1st, 2nd, 3rd cycle study programmes), as well as general academic issues and teaching staff issues.
Education. Introduce internal school-unit evaluations, institutionalize external assessment of schools, and design new curricula for all subjects across all school levels by end-2021.	**A new comprehensive law on school education was adopted in Parliament in August 2021 and will be applied in the coming academic year 2021-22.** This completes the commitment on school education. The basic axes of the new law are a) autonomy, b) organisational changes and, c) evaluation of teachers and education executives. a) Regarding **autonomy**, the law foresees the transfer of powers from the central government to the school units. An important innovation is the introduction of multiple schoolbooks. The powers of the schoolmaster will increase. The law also allows for more flexibility on student evaluation, based on standards developed by the Institute of Education Policy. The schools will be allowed to develop extra-curricular activities such as chess, theatre etc., after the end of the formal school hours. The premises

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	of the schools will be able to be used for extra-school activities and the earnings will top-up the budget of the school. Finally, an anonymous Pisa-type examination is introduced that will give feedback to the Institute of Education Policy. b) Regarding **the organisational framework in education**, the reform intends to bring the education executives closer to the schools in order to better monitor the educational programmes and to carry out the evaluation of the teachers. The new structures will have 13 peripheral directorates and 13 peripheral supervisors. There will be 116 education directors (58 directorates of primary education and 58 directorates of secondary education) and 116 quality supervisors. The school counsellors will increase from 540 to 800 and 1 100 new posts of psychologists and social workers will be established. c) Finally, **individual teacher evaluation is introduced** with the objective of improving the qualifications of the teaching staff. The education executives will be assessed every two years and the teachers every four years. Regarding the auto-evaluation of schools, it has already started being implemented this year with many schools submitting reports, but the exercise has been impeded by the pandemic. **The implementation of the law, in particular the appointment of education executives in a transparent and de-politicised way and the assessment of the education staff, will be a critical step.**
E-governance. Develop the single digital portal (gov.gr) to integrate all electronic transactions for citizens and businesses with the state and related information, unify the legal framework on digital policy, and safeguard business continuity by ensuring sufficiency of digital	**The digital ecosystem of public services is being continually expanded, with more than 1 250 digital public services integrated to date in the single digital portal (gov.gr), backed by initiatives to ensure the robustness of infrastructure to support hosted information.** The authorities revised the implementation roadmap for the single digital

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infrastructure mid-2021.	portal (gov.gr) which is due to be completed by end-2021, in order to prioritise new interventions, in particular, the European Digital Certificate, and the COVID-19 vaccination and self-testing platforms. Further, key interoperability initiatives enabled the development of new web services, for instance to facilitate electronic controls by public services, including in the areas of employee testing for COVID-19 in businesses, and the establishment of sole proprietorships. Lastly, in order to ensure smooth system operation and business continuity with respect to such services, the authorities awarded the contract to provide Database Private Cloud Computing and Database Backup Infrastructure services, which is expected to allow the databases of all the entities to operate more securely and in a cloud environment. Implementation of secondary legislation of the Digital Code, which is a precondition to implementing many key reforms and investments included in Greece's recovery and resilience plan, such as in the areas of open data policy, provision of gov.gr services, and cloud infrastructure, will be further monitored under the plan.
E-governance. Implement the National Programme for Process Simplification in key policy areas and promote the interoperability of registries, data and IT systems to ease the administrative burden for businesses and citizens by end-2021.	These measures will be further followed up under Greece's recovery and resilience plan.
Digitisation of geospatial data. Develop a State Infrastructures Registry to encapsulate technical and geospatial information about all public infrastructure projects to enable better planning and management of these projects, including for construction and maintenance purposes by end-2021. Develop an Integrated Geospatial Data Mapping tool (Single Digital Map**)** to increase transparency to investors concerning land use rules	These measures will be further followed up under Greece's recovery and resilience plan.

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across Greece and reduce unpredictability in relation to investment licensing decisions by end-2021.	