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Enhanced Surveillance Report - Greece, February 2021

Accompanying the document

COMMUNICATION FROM THE COMMISSION

Enhanced Surveillance update - Greece, February 2021

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ABBREVIATIONS

AIA: Athens International Airport
ANFA: Agreement on Net Financial Assets
ASEP: Supreme Council for Civil Personnel Selection
CRR: Capital Requirement Regulation
DEPA: Public Gas Corporation
DRU: Dispute Resolution Unit
ECB: European Central Bank
EFKA: Single Social Security Fund
EFSF: European Financial Stability Facility
EIB: European Investment Bank
EKAPY: National Central Authority of Health Procurements
ENFIA: Unified Property Tax
EOPYY: National Organisation for the Provision of Healthcare Services
ERGANI: Greek Database for Unemployment Registration
ERGOSE: Subsidiary company of OSE to implement railways infrastructure projects
ESI: Economic Sentiment Indicator
ESM: European Stability Mechanism
ESOEL: National Coordinating Body for Audit and Accountability
ETAD: Public Properties Company
ETEAEP: Supplementary Pension Fund
EYATH: Thessaloniki Water Supply and Sewerage Company
EYDAP: Athens Water Supply and Sewerage Company
FEK: Government gazette
GDP: Gross Domestic Product
GPS: Global Positioning System
GRECO: Group of States against Corruption
HCAP: Hellenic Corporation of Assets and Participations
HELEXPO: National institution for the organisation of exhibitions, congresses and cultural events
HFSF: Hellenic Financial Stability Fund
HRADF/TAIPED: Hellenic Republic Asset Development Fund
HRMS: Human resources management system
IAPR: Independent Authority for Public Revenue
ICT: Information and Communication Technologies
IEK: Public professional schools
IKE: Greek private company
IMF: International Monetary Fund
JASPERS: Assistance to Support Projects in European Regions
KEK: Vocational training centres
KEPA: Disability assessment centres
KOMYS: Newly and swiftly deployed medical mobile units
KPI: Key performance indicator
KTEL: Joint-venture of Regional Transport
LCR: liquidity coverage ratio
LEPETE: Supplementary Pension Fund of the National Bank of Greece
MFIs: Monetary financial institutions
NFCs: Non financial corporations

NOME: Nouvelle organisation du marché de l'électricité (New organisation of the electricity market)
NPEs: Non-performing exposures
OAED: Public employment service
OASTH: Urban Transport of Thessaloniki
OGA: Agricultural Insurance Organisation (former farmers' fund)
OMED: Mediation and arbitration board
OSDDY: Integrated Management System for Judicial Cases
OSE: Organisation of railways of Greece
PMI: Purchasing Managers Index
SEPE: Labour inspections directorate
SMP: Securities Markets Programme
SURE: Support to Mitigate Unemployment Risks in an Emergency
SYNERGASIA: Temporary short-time work scheme
TEPIX II: Envelope for co-financing loans to small and medium-sized enterprises
TLTRO III: Eurosystem targeted longer-term refinancing operations
TOMYS: primary health care units
VAT: Value added tax

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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
<p>(*) Fiscal. Achieve a primary surplus of 3.5% of GDP over the medium-term.</p>	<p>The 2021 budget, voted in early-December 2021, expects the deficit monitored under enhanced surveillance to reach 3.9% of GDP in 2021. This compares with a deficit forecast of 3.4% of GDP in the Commission 2020 autumn forecast. The fiscal policy setting planned for 2021 takes into account the continued application of the general escape clause in 2021. A full update of the fiscal forecast will be prepared in spring in the context of the assessment of the 2021 Stability Programme.</p>
<p>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.</p>	<p>The functional classification is expected to be gradually implemented as of October 2021. It was agreed that a simplified version of the functional classification (1st level) would be finalised by October 2021 and released in November 2021, in time for the 2022 budget. The necessary IT specifications for both the investment and non-investment budgets will be completed by April. The full detail will be prepared in time for the 2023 budget. The European institutions invited the authorities to prepare a road map for its completion, including in the public investment budget, by April 2021 and aim for a delivery by April 2022. The functional classification will be implemented in parallel with the performance budgeting framework.</p> <p>Implementation of the Chart of Accounts in the public investment budget has seen a positive momentum. This is key for a successful completion of the accounting reform. The interoperability of the IT</p>

Commitment	State of play and next steps
	<p>payment system of the public investment budget with the central IT system is progressing. It is benefiting from technical support provided by the European Commission and is expected to be completed in the course of 2021. It was agreed that the administrative and economic classification will start to be applied on (realised) budget transactions before end-April 2021, while for planning purposes, the administrative classification and a simplified version of the economic classification will be applied only in the 2022 budget.</p> <p>The tender for the upgraded central IT payment system, which will significantly contribute to the completion of the accounting reform, is delayed. The authorities plan to launch the tender in March 2021 so that the project can start by the end of 2021. However, these delays are not expected to jeopardise the application of the above-mentioned classifications because of the existence of a parallel IT system, which could offer a temporary solution until the new advanced system is functional. Following the implementation of the accounting reform in the central administration, a plan with a timeline will be drafted by end-February 2021 for the rollout of the Chart of Accounts in the general government entities.</p>
<p>(*) Arrears.</p> <p>The authorities will implement the arrears clearance plan and avoid the accumulation of new arrears.</p> <p>Complete the implementation of reforms identified by the Hellenic Court of Auditors.</p>	<p>The stock of arrears has decreased since September 2020 but the October 2019 clearance plan will need to be updated as the December target has not been met. In December 2020, the stock of arrears was €979 million, more than €200 million below the level reported in the previous report. However, the risks noted in the 8th enhanced surveillance report in relation to the December zero target for the stock of non-pension arrears have materialised, partly due to the extraordinary circumstances posed by the pandemic. The stock of non-pension arrears was</p>

Commitment	State of play and next steps
	<p>€485 million in December. The authorities committed to update their clearance plan for non-pension arrears by March 2021 with a view to clearing them by June 2021, in consultation with the European institutions. The updated action plan will include monthly targets and additional measures, including the reinforcement of the Steering Committee with members from entities, which show a high stock of arrears and are responsible for the implementation a large number of the remaining recommendations of the Hellenic Court of Auditors (see below). Clearing the backlog of unprocessed pension claims has also suffered from coronavirus-related slippages. Their stock, about €500 million, remained broadly stable compared with the previous report. The authorities have amended their November 2020 clearance plan but reiterated their commitment to fully clear the pension-arrears by end-2021.</p> <p>With a view to preventing the creation of new arrears, a working group has been established in December with the task of simplifying the legislative framework for the conduct of fiscal procedures. Its establishment has been delayed by two months, compared to the initial date of October 2020. The working group is tasked with reforming, updating, simplifying and eventually codifying the legislative framework governing the fiscal management of the central administration. It is expected to prepare an interim report by end-March 2021, including legal proposals for the simplification of the fiscal procedures and the elimination of bottlenecks, while abiding to the principles that ensure fiscal discipline. These proposals will eventually help streamlining budget execution as well as payment and accounting processes.</p> <p>The implementation of the recommendations made by the Hellenic</p>

Commitment	State of play and next steps
	<p>Court of Auditors, a mid-2021 specific commitment and a crucial step towards addressing the creation of new arrears, is ongoing. The implementation of the recommendations shows overall good results with many recommendations related to modifications of the IT systems and the improvement of the human resource management already completed. A detailed progress report will be provided by the authorities by end-April 2021, including for entities that do not participate in the Steering Committee.</p> <p>A new law setting out the conceptual framework for internal control is expected to be adopted by March 2021, somewhat later than initially expected. Adoption of the law was a horizontal recommendation by the Hellenic Court of Auditors and it is also key for the sound management of the projects to be funded through the Recovery and Resilience Facility. The objective of this law is to develop a structured internal control system, in order to ensure the efficient operation of all public entities, the reliability of their reporting and their overall compliance with the legislative framework and policies. Related to this, the authorities are preparing to commence, from end-April, the evaluation of the public financial management component of the internal control framework across the public administration, the success of which depends on the strong commitment and involvement of all relevant players. This project also includes the evaluation of internal control's effectiveness. The Hellenic Court of Auditors plans to audit the internal control systems of a large number of entities in 2021, which is expected to further support the reform.</p>
Tax administration.	The supplementary wage grid for the Independent Authority of Public Revenue has been adopted. The European institutions

Commitment	State of play and next steps
<p>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.</p> <p>Make the end-to-end IT collection systems fully operational by mid-2021.</p>	<p>encouraged the authorities to have the overall human resources reform in place by April 2021. Once the new framework is in place, it is expected to greatly facilitate the Independent Authority’s efforts to attract new staff and maintain its existing staff, thus helping it to catch up with its staffing targets. The number of staff was 11 848 at the end of 2020, which is slightly below the third quarter outturn of 11 947, partly due to higher-than-expected retirements at the end of the year.</p> <p>The end-to-end IT collection system, which benefits from Union funding, faces delays and is expected to be completed by the end of 2021. According to the initial timeline, the project would have been completed by the contractor by the end of 2020, which would have allowed its full implementation by mid-2021. However, due to contractual issues delaying the launch of the project and some more recent delays incurred due to the pandemic, the deadline for the delivery of the project by the contractor has been extended until end-2021. Once operational in 2022, it is expected that it will enable tracking tax obligations for each physical person or entity in a more integrated manner.</p>
<p>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.</p>	<p>Progress has been made in the ENFIA valuation commitment with the completion of the first round of nationwide property valuations. The setting of the new property tax zonal values expected by March will substantially enlarge the property tax base. The authorities then plan to complete the design of a revenue-neutral reform to the ENFIA single property tax by end-April. These will be important for the 10th review and will allow the completion of the Eurogroup commitment with the annual ENFIA tax assessment in August 2021.</p>
<p>(*) Health care. The authorities will complete the full offsetting and</p>	<p>The clawback collection is progressing with delays. The legislation to</p>

Commitment	State of play and next steps
collection of the clawback by June every year for the previous calendar year.	proceed with the collection of backlogs is now mostly in place. The authorities agreed, by April, to finalise the collection of the clawbacks up to the first semester of 2020, while providing materials with more detailed information by semester on clawback collection, and to finalise the procedure for the start of the collection of the clawbacks imputed to the second semester of 2020. In addition, the authorities will adopt the ministerial decision setting the ceilings for providers for 2021.
Health care. Greece will ensure the rollout of the primary health care system, in particular by opening all 240 primary health care units.	Work on the primary health care reform was suspended due to the immediate need to focus resources on the organisation of the vaccination campaign. It was agreed to prepare an advanced draft of the legislation by end-April 2021. While efforts on the urgent need to set up and carry out the vaccination campaign are absorbing almost full capacity, the authorities are working on a new primary care model, having recently implemented a ‘pop-up’ system to encourage patient registration. Building on this progress, the authorities agreed to submit a revised draft of the primary health care legislation by the time of the next report. Successful implementation of a comprehensive network of primary health care centres also relies on adequate staffing, and the authorities are working on a revision of family doctors remuneration package. The new organisational model of health centres and further steps towards the interoperability of the e-medical record are close to completion and will be finalised by the next review.
Health care. Achieve a share of centralised procurement in total hospital expenditure of 30%.	Although slowed down by the priority shift due to the pandemic, work on centralised procurement is ongoing. The re-activation of the Price Observatory and legislation on the National Centralised Health Procurement Authority (EKAPY) are key steps to achieve the 30% target by the first quarter of 2021 and significant progress has been made in this

Commitment	State of play and next steps
	<p>direction. It was agreed that the Price Observatory, already operational, will be fully reactivated and the legislative framework for the Authority, which is already at an advanced stage and will also include some elements of the e-health framework, will be adopted. In parallel, based on the positive results achieved so far, the authorities plan to meet the 30% target of centralised procurement (in terms of tenders launched by the time of the next review), building on the joint action of the Procurement Authority, regional authorities and the Pharmaceutical Research and Technology Company (IFET).</p>
<p>Social welfare. Complete the rollout of all three pillars of the Social Solidarity Income scheme (subsequently renamed Guaranteed Minimum Income scheme).</p>	<p>The authorities are working towards the establishment of the third pillar. Notwithstanding some delays in several of the required steps due to disruptions caused by the pandemic, the authorities remain committed to starting nationwide rollout of the third pillar in April 2021, as per the agreed timeline. Notably, work is currently underway for updating the pool of eligible participants and the contact person’s network in social services, and for adjusting business processes of the implementing bodies. The completion of the third and last pillar of the Guaranteed Minimum Income scheme will allow for a systematic provision of labour market reintegration services to the beneficiaries of the guaranteed minimum income.</p>
<p>Social welfare. Review the system of subsidies for local public transport.</p>	<p>The main secondary legislation setting public service compensation levels for transport operators has been adopted and the first payments to transport operators for 2020 have been carried out. The last piece of secondary legislation and some technical legal amendments to allow payments to smaller operators are underway for completion by March 2021.</p>

Commitment	State of play and next steps
<p>Social welfare. Apply to all disability benefits the new approach for disability determination based on both medical and functional assessment.</p>	<p>Due to delays due to the pandemic, the pilot project for the new functionality-based disability assessment process has been delayed from March 2021 to November 2021. A detailed policy paper was finalised in December 2020, outlining the set up for the new disability assessment process in line with EU best practices. The delayed launch of the pilot project is due particularly to the severe backlog that has developed in disability assessments and current non-availability of the required medical staff. The authorities plan to complete initial preparations by March 2021 including drafting the necessary legal provisions, roadmaps, questionnaires, forms and IT specifications.</p>
<p>Social welfare. Complete the set-up of the single pension fund EFKA.</p>	<p>Despite difficulties created by the pandemic, the authorities are finalising the organisational and institutional setup of the Single Social Security Fund (e-EFKA). The authorities made progress by finalising the merging of the former Agricultural Insurance Organisation (OGA) with the former Social Insurance Institute (IKA) processes, the next step being the Employment Agency (OAED). They recently launched staff trainings to speed-up the process of pension awards and removed IT barriers to the creation of the remaining directories. Nonetheless, further progress needs to be made for the full completion of the organisational setup of e-EFKA, which includes the definition of a timeline for the implementation of the 120 planned directories.</p>
<p>(*) 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</p>	<p>The entry into force of the new Insolvency Code was postponed to minimize legal risks connected with delays in IT infrastructure and the issuance of secondary legislation. The authorities are preparing, as a matter of priority in view of the next report, the secondary legislation and the necessary infrastructure to allow its full implementation in two steps,</p>

Commitment	State of play and next steps
<p>sales, e-auctions) and taking all necessary actions to this effect.</p>	<p>on 1 March 2021 and 1 June 2021.</p> <p>The filing of requests for the replacement of distant hearing dates for household insolvency cases by ones in the nearer future has been progressing, in line with the recently adopted provisions. The authorities adopted in the fourth quarter of 2020 legislative amendments requiring debtors to re-file their applications through an online platform. Despite the use of this new tool, meeting the target of full clearance of the backlog by the end of 2021 is subject to risks and needs to be monitored closely. The authorities granted a sixteen day extension of the first in a series of deadlines (there are different deadlines according to the grouping of cases on the basis of seniority), which expired on 31 January 2021, so as to enable lawyers to redress mistakes due to the lack of familiarity with the functioning of the e-platform. However, the clearance of the backlog has been hampered due to postponements of hearings occasioned by the closure of courts as part of containment measures since November 2020. The authorities will provide monthly updates on the progress of procedural steps, adding items as they become available (requests filed and validated, notifications made, memoranda and rejoinders filed, appointments of judges and entries of cases in dockets, hearings held and decisions issued), detailed per court throughout Greece.</p> <p>The impact of the first set of measures aimed at enhancing the functionality and user-friendliness of the e-auctions platform has been muted as a result of a horizontal suspension of enforcement proceedings, including e-auctions during the second tightening of the containment measures. A protracted generalised freezing of all enforcement steps, including preparatory ones, may have an adverse effect on Greek banks' and servicers' efforts to accelerate non-performing</p>

Commitment	State of play and next steps
	<p>loans reduction.</p> <p>Regarding the Code of Civil Procedure review, the authorities are working on the finalisation of the draft law amendments expected to be submitted to the Ministry of Justice by end-February 2021. These will include further improvements to the e-auction framework. The code is scheduled for adoption by June 2021 to enable its entry into force before the beginning of the new judicial year, in September 2021.</p> <p>The clearance of the considerable backlog of called state guarantees has fallen further behind the plan in the fourth quarter of 2020. This was partly due to administrative delays in the recruitment process of new personnel amidst the second tightening of containment measures. However, its pace is expected to accelerate in 2021.</p> <p>Following a limited amendment of the primary law on deferred tax credits, the authorities are preparing the necessary secondary legislation to ensure full operationalisation of the framework in all cases, including resolution.</p> <p>The authorities noted that all available complementary systemic solutions for the reduction of non-performing loans are being assessed based on their costs and benefits.</p>
<p>(*) Labour markets, product markets and competitiveness.</p>	<p>The procedure for updating the statutory minimum wage, put on hold following the outbreak of the pandemic, has been further postponed and is set to resume in March 2021. The statutory minimum wage should in principle be revised annually. Due to the exceptional circumstances caused by the pandemic, the consultation process for</p>

Commitment	State of play and next steps
	updating the minimum that was launched in February 2020 had been suspended (initially for a period of 6 months, subsequently extended twice, for additional 3 months). The new level of the minimum wage is now expected to be determined by end-July 2021.
Investment licensing. Complete the investment licensing reform, and to this end fully deploy the relevant ICT.	The authorities intend to award the contract for the integrated ICT system by mid-March, which is a critical element of the reform. This follows from a recent decision by the administrative court to reject the request for the suspension of the tender, however the risk of further legal complications in the tendering process remains. In the meantime, the authorities continue to work with the World Bank on the mapping and gap analysis of IT systems currently in place in the public sector, to be adapted and interfaced with the new system.
Investment licensing. Greece will finalise inspection legislation.	Completing the reform in the three priority areas by end April is still in reach but will require concerted effort and tight coordination of the high number of ministries involved. The outstanding elements in the areas of food safety, environmental protection and product safety concern the development of the enforcement management model and the review and amendment of sanctions legislation. The authorities recently adopted legislation to define the roles and responsibilities of inspecting authorities for environmental protection, whilst the respective provisions on food safety are still outstanding. Effective operationalisation of the framework is conditional to the swift and uniform deployment of the new tools by all relevant actors.
Investment licensing. Greece will finalise the simplification of investment licensing procedures in the agreed remaining sectors.	Work progresses substantially slower than expected, but the authorities pledged to accelerate work whilst at the same time ensuring high quality. The reform on the primary production sector was

Commitment	State of play and next steps
	<p>completed, after some delay, with the recent adoption of secondary legislation. The bill to simplify most of the remaining activities, due by end-November 2020, was only submitted for public consultation in January and its adoption is now due by end-February. The delay will have a knock-on effect on the adoption of all necessary secondary legislation initially agreed to be completed by end-April 2021, which is needed to fully reform these activities. The new agreed timeline foresees adoption of the secondary legislation in three batches (14 joint ministerial decisions in April, 15 in June and the remaining ones in early September). Further, the authorities are slightly behind schedule in drafting primary legislation to simplify the last remaining activities, but still aim to adopt this by end-April, and also adopt all related secondary legislation by early September. As a consequence, the agreed timeline for fully completing the commitment by mid-2021 will be extended to early September.</p>
<p>Cadastral. 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.</p>	<p>The timeline for the completion of cadastral mapping is being further delayed, while there is mixed progress on the cadastral agency. As of today, 34% of the cadastral mapping has been completed and is in operation. The milestone of 45% will be reached by mid-2022, and 100% by December 2024. There are mainly two reasons for this delay. One is the slow declarations by citizens and the consequent extensions that were given, and the second is related to the coronavirus pandemic, which postponed many activities. Regarding the forest maps, the Ministry of Environment has issued a circular on 12 January 2021 with the uploading of the forest maps in the remaining 59 regions, completing thus the uploading of the maps for the entire country by end-February 2021.</p> <p>Regarding the full operation of the Cadastral Agency, there is substantial progress in some areas while there are delays in others.</p>

Commitment	State of play and next steps
	<p>The management team has been appointed and the preparation of the corporate strategy has progressed. On the other hand, the recruitment of the migration team is still pending – the European institutions encouraged the authorities to adopt the relevant secondary legislation speedily. The integration of mortgage offices continues at the current pace of two offices per month and will be accelerated once the engagement of the migration team is completed.</p> <p>The Hellenic Cadastre has updated the Road Map for the completion of the cadastre with new milestones and revised targets. The European institutions encouraged the authorities to substantially progress regarding the forest maps and cadastre in time for the next report. The responsibility for overseeing the Hellenic Cadastre has been moved to the Ministry of Digital Governance.</p>
<p>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.</p>	<p>The Commission is consulting the market on commitments proposed by the authorities, an important step towards adopting the antitrust remedy, which was an end-2020 commitment. The market consultation is expected to be finalised by end of February and should allow for the final remedy to be presented thereafter.</p>
<p>(*) HCAP. The Strategic Plan of HCAP will be implemented on a continuous basis.</p>	<p>Work progressed well with regard to the implementation of the Corporation’s strategic plan. Notably:</p> <p>(i) the authorities have engaged thoroughly with the European institutions as part of drafting the updated Ministerial Guidance, which sets out updates for the government’s general vision for the Corporation over the medium term and their expectations for the financial performance of the Corporation’s portfolio of assets. The Guidance has been finalised at the</p>

Commitment	State of play and next steps
	<p>end of January. Following its issuance, the strategic plan will be updated.</p> <p>(ii) The Corporation and the state-owned enterprises have carried out the next phase of the implementation of the Coordination Mechanism, namely the completion of Statements of Commitments for state-owned enterprises, which set out the state-owned enterprises' financial, operational and other objectives for 2020-2022. These will need to be updated when there will be greater clarity on the impact of the ongoing pandemic. In addition, the final phase of the initial implementation of the Coordination Mechanism, which will be the preparation of a performance contract setting out special public service obligations for the Athens Urban Transport Organisation (OASA), has been launched with discussions between the authorities, the Corporation and the Athens Urban Transport Organisation in early February.</p> <p>(iii) Further, the authorities intend to proceed with work on identifying any legal impediments to the commercial operation of state-owned enterprises. A swift completion of this exercise in collaboration with the Corporation would usefully identify improvement areas and enable the next steps to be taken.</p>
<p>HCAP. Complete the review/replacement of all SOE boards.</p>	<p>The review of the boards of the state-owned enterprises has been completed, with the conclusion of the board review of the Hellenic Exhibition Organisation (HELEXPO), in December 2020. Further, a new chief executive officer was selected in the Greek Saltworks in December and was appointed in January.</p>
<p>HCAP. Complete the transfer of the Olympic Athletic Centre</p>	<p>The transfer of the Olympic Athletic Centre is seeing progress with the submission by the technical advisor of all pending required</p>

Commitment	State of play and next steps
(OAKA) to HCAP.	<p>documents for the open tender process for the design contract. Further, renovation and maintenance works in various parts of the premises have been completed or are underway to enable the safe utilisation of the facilities, whereas the elaboration of a master plan for the development and commercial exploitation of the asset is under consideration by the authorities.</p>
<p>HCAP. Transfer the eligible real estate assets included in the 2018 package to the Public Real Estate Company, reflecting the May 2020 ruling of the Council of State.</p>	<p>The evaluation and screening process is at a very advanced stage and the authorities are planning to complete the full screening by end-April.</p>
<p>Privatisation. The Asset Development Plan will be implemented on a continuous basis.</p> <p>With a view to swiftly attracting investment to support a sustained economic recovery, complete the transactions on Hellinikon, HELPE, marina of Alimos, Egnatia, DEPA commercial, regional ports of Alexandroupolis and Kavala, AIA shares, EYDAP and EYATH.</p> <p>By mid-2021, complete the transactions on the regional ports Igoumenitsa and Kerkyra, PPC, DEPA infrastructure and Kavala underground storage.</p>	<p>The Government Pending Actions list was updated in January 2021. Progress with specific transactions since the last report has been as follows:</p> <p>Hellinikon: Progress on the pending prerequisites for the financial closing of the transaction continued over the past three months. Following the selection of the provisional preferred bidder for the award of the casino licence by the Hellenic Gaming Commission on 13 October 2020, the review procedure on supporting documents by the Hellenic Gaming Commission was completed on 12 February, whereas the Court of Audit approval is expected soon thereafter. Further, the partition of the Hellinikon site agreed in February 2020 is expected to be finalised in a binding legal document by end-February 2021. Its ratification by the Parliament is expected in March 2021. However, pending are still the decisions of the Council of State on a number of legal cases. The financial closing of the transaction is expected in the coming months.</p> <p>Marina of Alimos: The transaction was faced with significant technical</p>

Commitment	State of play and next steps
	<p>issues, which were successfully resolved and the concession was financially closed on 31 December.</p> <p>Egnatia: Progress was made over the past two months towards the conclusion of this transaction. Only one bidder submitted a binding offer by the deadline of 11 December, whereas two of the pre-qualified bidders proceeded to taking legal actions against the rejection of their applications for an extension of the submission deadline. The relevant Court issued an interim order on 28 December, according to which the two bidders' claim was valid and that extension should have been granted. Following this decision, the Board of Hellenic Republic Asset Development Fund decided on 26 January to set 1 April 2021 as the new date for the submission of binding offers. As concerns the remaining pending actions, a second cluster of toll stations was completed and put in operation in January and February, and some progress was made in relation to the required works necessary for the licensing of remaining 14 tunnels. Close monitoring will continue.</p> <p>Regional ports of Alexandroupolis and Kavala: Assessment of the investors' Expressions of Interest and the short listing of the prequalified parties for the Binding Offers Phase is expected to be concluded by end-February.</p> <p>The regional port of Igoumenitsa: The assessment of the investors' Expressions of Interest and the short listing of the prequalified parties for the Binding Offers Phase, is expected to be concluded by end-February.</p> <p>Public Gas Corporation (DEPA) Infrastructure: The Regulatory Authority for Energy approved the development plans for 2021-2025 for</p>

Commitment	State of play and next steps
	<p>the three subsidiaries of DEPA Infrastructure in December and early February, providing further clarity on the framework for the operation of the distribution system operators.</p> <p>Underground natural gas storage South Kavala: The Regulatory Authority for Energy is expected to issue a decision providing clarity on the tariff-setting framework by end-February.</p> <p>Some transactions had to be delayed following either a significant fall in the assets' capitalisation value or level of economic activity due to the pandemic (¹).</p>
<p>Public administration. Complete the integrated HR Management System (digital organigram for all public entities and link with single payment authority).</p>	<p>The modernisation of human resource management is progressing, with almost all public sector entities having completed their digital organigrams, which constituted an end-2020 specific commitment. By mid-January, 1 665 general government entities (90% of all entities) finalised their digital organigrams, including the vast majority of the remaining large entities with more than 20 employees, with only 13 large entities remaining. Progress towards establishing a link between the job description and jobholder has been rather limited during this reporting period, and currently stands at 47% of all posts. The authorities aim to increase the percentage to above 60% during the next reporting period, while also completing the exercise of confirming the status of each post (i.e. occupied – vacant – on hold). The authorities have taken various actions to facilitate its completion, including making it a prerequisite for the entities' participation in the mobility scheme or launching hiring</p>

¹ This applies to the Hellenic Petroleum and the sale of 30% of Athens International Airport, as reported in the 8th enhanced surveillance report p. 17-18 and p. 67.

Commitment	State of play and next steps
	procedures for new permanent staff.
<p>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.</p>	<p>The process of labour law codification is consequent to the delay in the labour law reform (see below). In terms of legislative procedures, it is not possible to carry out a codification process while a reform of the same provisions to be codified is being discussed. The government is expected to submit to Parliament the Labour Law Code and Code of Labour Regulatory Provisions by the third quarter of 2021.</p>
<p>Justice.</p> <p>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.</p> <p>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).</p>	<p>The implementation of electronic filing is hampered by delays. Although mandatory electronic filing and notification of all documents filed with administrative courts was required, under a 2019 statute, as of 1 January 2020, a December 2020 amendment suspended its entry into force. Rather than setting a new fixed due date, the relevant provision stipulates that, in as far as electronic filing requires the availability of the relevant infrastructure and the provision of the necessary training to staff, it will be implemented incrementally once the relevant infrastructure has been provided and the training of staff has been completed with respect to each court concerned. The authorities provided to the European institutions a list featuring the state of play of the availability of electronic filing, covering only civil courts covered by first phase of the e-Justice project, mapping the current situation per court; they committed to submit an action plan and detailed timetable for the completion of the project. Overall, the availability of e-filing is, to a greater or lesser extent, partial and, as far as can be ascertained, mainly restricted to those courts that are covered by the first phase of the e-justice project. However, even there, the actual use of e-filing remains minimal.</p> <p>While some progress has been reported regarding the distribution of</p>

Commitment	State of play and next steps
	<p>digital signatures to judges and court employees, much remains to be done. So far, 900 out of a total of 11,000 such signatures have been distributed; the Ministry of Justice expects the distribution to be fully completed by end-March 2021. Regarding the distribution of digital signatures to lawyers, given that the Athens Bar Association launched a call for bids expiring on 29 January 2021, the provision of a certified e-signature to every legal professional in Greece, a prerequisite for e-filing, is expected to extend into the next several months.</p> <p>Work on consolidating the court-related certificates is advancing. As of January 2020 the competence for the electronic conduct of consensual divorce proceedings has been given to notaries. For the procedure to become operational a number of necessary amendments to the Civil Code are expected to be adopted by April 2021; the issuance of secondary legislation enabling its implementation will follow. Regarding the consolidated insolvency certificate, the authorities reported that it will be available to citizens upon the issuance of a circular by the Supreme Court and not later than end-March 2021.</p> <p>The authorities resolved to cancel the tendering procedure for phase II of the e-justice project and to relaunch the tender anew under the auspices of the entity responsible for carrying out the projects of the Ministry of Digital Governance. No prior notice was given to, or consultation conducted with, the European institutions before this decision, taken on 22 January 2021. The authorities committed to provide a note delineating the scope of the new tender, describing next steps and setting a timetable for the launch of the tender by end-April 2021.</p>
Fight against corruption. Implement all recommendations made by	The implementation of the recommendations is progressing but

Commitment	State of play and next steps
the Group of States against Corruption (GRECO) by mid-2021.	<p>implementing them fully is likely to take place somewhat later than expected. The authorities have successfully implemented 12 of the 23 recommendations from 2015 and 2019 and plan to address the ones that do not need change in the Constitution in the course of 2021.</p> <p>Limited progress took place regarding other important initiatives in the fight against corruption. The list of politically exposed people that have to submit an asset declaration is yet to be aligned with the updated definition of the politically exposed people. The results of the audit of the asset declaration for years 2016-2019 are expected to be released by autumn 2021. Moreover, bodies in charge of the asset declaration controls do not have access to key databases such as the one of the tax administration. The external appraisal of the National Anticorruption Plan for 2018-2021 is planned for mid-2021 and will be instrumental in sustaining the efforts to fight against corruption and ensuring the success of the Recovery and Resilience Plan.</p>

Complementary commitments undertaken by Greek authorities in May 2020

Complementary commitment	State of play and next steps
<p>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</p>	<p>Measures recently introduced include actions to simplify the requirements for registering property and to accelerate the issuance of building permits through system interoperability initiatives. Work is on track with respect to interventions scheduled by end-March. These include the extension of the interoperability of the ‘e-adeies’ system for building permits with the fire service system, interconnecting ‘e-EFKA’</p>

Complementary commitment	State of play and next steps
business, paying taxes, and trading across borders by mid-2021.	social security system with the electronic one-stop-shop for businesses (e-OSS) to reduce the time required for private companies (IKE) to become operational, and simplifying and reducing the requirements for obtaining an electricity connection. In parallel, the authorities aim to deliver shortly expanded action plans in a number of intervention areas such as connecting to electricity, construction permits, and accessing credit. These are expected to comprise of a package of legislative actions, technological interventions, training and communication.
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 collar rules, and take account of flexible and home working, as well as implement these measures through secondary legislation, by September 2020.	Given the need to prioritise the response to the pandemic and following the recent government reshuffle, submission of the labour law reform initially foreseen for end-2020 has been delayed. It is currently expected that the Labour Reform law will be tabled in Parliament in March and legislated in April. In the meantime, the European institutions will be consulted on the draft law.
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 decisions taken by the Athens Court of Appeal and Court of First Instance, the Thessaloniki Court of Appeal and Court of First Instance also decided to create special chambers for the same categories of cases. The Athens and Thessaloniki courts of appeal have introduced the relevant amendments to their respective internal regulations; however, no such implementation action has been taken so far by the first instance courts of Athens and Thessaloniki as a result of the pandemic; sessions of the administration formations of both courts are expected to be held by end-February 2021.
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	Work on the adoption of the new Code of Judicial Staff is progressing, with some delays. Public consultation on the draft code was completed on 21 January 2021. The code is currently being finalized by

Complementary commitment	State of play and next steps
the Status of Officers of the Courts by May 2020.	<p>the Central Law-drafting Committee, in view of tabling at the Parliament by end-April 2021, later than in December 2020 noted in the previous report.</p> <p>Contrary to the information reported in the 8th enhanced surveillance report, the Code for the Organization of Justice and the Status of Officers of the Courts is expected to be further delayed as a result of the authorities' decision to appoint a new law-drafting committee with the mandate to elaborate a new draft addressing issues considered of high importance, also based on the input of technical assistance.</p>
<p>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.</p>	<p>Work on the creation of the JustStat unit is progressing on schedule. The drafting of a Presidential Decree detailing the setup and function of the unit has been completed and the draft is expected to be submitted shortly to the Council of State for the constitutionality check. Regarding the call for bids, the authorities informed the European institutions that it would be launched by end-February 2021.</p>
<p>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.</p>	<p>A law strengthening the Personnel Selection Council has been adopted by the Parliament. This constitutes a key step in modernising the selection process. It introduces new selection methods, such as psychometric and written tests. A detailed action plan that will set out how the provisions of this law, including the organisational transformation of Council, will be implemented, is expected to be completed by May 2021.</p>
<p>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.</p>	<p>The methodology for planning of temporary staff needs has been completed. It aims at the rationalization of the system and the re-definition of the temporary vs. seasonal personnel and will allow for setting an annual ceiling on temporary staff by April 2021, which will be</p>

Complementary commitment	State of play and next steps
	applied as of this year.
<p>Transport. Report on the progress of the elaboration of sustainable urban mobility plans for the main urban centres by October 2020.</p>	<p>The sustainable urban mobility plans have not progressed during the reporting period. The law on revising the legal framework will be submitted to Parliament shortly. Eighteen municipalities have submitted draft mobility plans, but these cannot be approved before the revision of the legal framework. On the reform of the rail sector, the steering committee that was set last October has agreed on rail projects for the period 2021-23 and is finalizing the projects up to 2027. The project of the EU funded technical adviser that will assist with the reorganisation of the railway companies is expected to start in February 2021.</p>
<p>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.</p>	<p>A working group was set up in mid-January, to determine the scope and timeline of the study, expected by end-March. The group is composed of representatives of the Ministry of Finance, the Hellenic Corporation of Assets and Participations, the Public Real Estate Company (ETAD) and university professors.</p>
<p>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 by January 2021.</p>	<p>The establishment of a Strategic Projects Pipeline will be crucial to plan and implement public investment projects, especially for the Recovery and Resilience Facility. Draft legislative amendments for the establishment of the Strategic Projects Pipeline have been prepared and will be adopted by mid-March. The Pipeline will be governed by a high-level Steering committee, with a Task Force consisting of senior staff from relevant Ministries being given the responsibility for evaluating and selecting projects.</p>
<p>Project preparation facility. Develop and fully operationalize an improved support and delivery mechanism for project preparation</p>	<p>Draft legislative amendments that will add the mandate of the Project Preparation Facility to the Hellenic Republic Asset Development</p>

Complementary commitment	State of play and next steps
<p>and implementation to ensure efficiency and quality of both public sector infrastructure projects as well as Public Private Partnerships by March 2021.</p>	<p>Fund are under preparation and are expected to be adopted by mid-March. It will be important to ensure that appropriate safeguards are in place so that the Fund can continue to independently exercise its existing core mandate. The timely set-up of Project Preparation Facility will be crucial to speed up the delivery of Recovery and Resilience Fund and other public investment projects. The process for recruitment of staff for the new Facility is underway and will be completed by April 2021, whilst preparations for the tendering for technical consultants have been initiated.</p>
<p>Public procurement. Adopt a new public procurement strategy for 2021–2025 by end 2020.</p>	<p>The new law on public procurement is expected to be adopted by March; its full implementation will be crucial for ensuring a smooth absorption of available financial resources and supporting the recovery. The new law aims to address the identified weaknesses of the public procurement’s legal framework (see the 8th enhanced surveillance report). The necessary secondary legislation will follow in three batches in April, May and August 2021.</p> <p>An ambitious public procurement strategy for 2021-2025, which is expected to support the green and digital transition and strengthen the fight against corruption, has been drafted and is expected to be adopted by the end of April. The delay in the adoption of the strategy compared to the initial end-2020 target is mainly due to the extension of the public consultation phase and the time needed to assess and reflect the comments received. The strategy will start to be implemented after its adoption.</p>
<p>E-Health. Develop an electronic Medical Health Record to streamline the use of existing electronic medical record applications and update as necessary the design and use of agreed electronic</p>	<p>Various elements of the implementation of the e-medical record are progressing, despite delays. A Ministerial Decision on broadening access to the e-medical record to a wider set of medical professions is close to</p>

Complementary commitment	State of play and next steps
medical record standard across public (and private) healthcare institutions by end-2020.	completion. Work on interoperability is progressing, with a legislative element planned for February.
E-Health. Extend the application of the electronic prescription project (2 nd phase), including through therapeutic protocols, back-end integrations, artificial intelligence driven inquiries, necessary interconnection with information systems, and enabling electronic request and access to medicine for all outpatients with chronic diseases by end-2020.	Progress is expected to resume after the medical emergency dissipates. Nevertheless, progress is ongoing in expanding the system of teleconsultation, which will be linked to telemedicine, with a view to eventually bringing together e-health and m-health (mobile health care).
Health care strategy. Develop a National strategic policy framework for healthcare by end-2020.	Progress is expected to resume after the medical emergency dissipates. An important element of the policy framework will be defining an anti-corruption strategy.
Health care planning. Map health and long-term care needs with available human and technical resources, and take measures to ensure the efficiency, sustainability, accessibility and affordability of health and long-term care services, as well as promote community-based services, by end 2020.	Progress is expected to resume after the medical emergency dissipates.
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.	A bill on Higher Education was adopted by Parliament on 11 February. The bill addresses the important issue of safety and security within the universities' campuses that were suffering from illegal activities negatively affecting the educational processes. The bill also reforms the selection and entry system with the view to increasing the completion rate and the standards required for students entering universities. A minimum grade will required, there will be more focus on the preferences of the students in the selection process, a limit on the number of years in which a student has to complete his/her studies will be

Complementary commitment	State of play and next steps
	introduced (limiting the “eternal students” problem), and a new option will be opened towards the vocational education path. A second bill on autonomy and governance of universities will follow in April 2021.
<p>Education. Improve vocational education through the establishment of the National System of Vocational Education and Training by end-2020.</p>	<p>A new law reforming vocational education and training was adopted on 17 December, thus completing the commitment. The implementation of the law started with the setting of the central council of vocational education and training and the regional committees. A key issue will be the active collaboration of the ministry of labour in particular as far as the market needs diagnostic is concerned.</p>
<p>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.</p>	<p>The ministerial decision for the planning of internal and external evaluations of school units was signed on 19 January 2021. The planning had to be adjusted to the new school environment that has been affected by the pandemic. The bill on the teachers’ assessment is planned to be tabled in March 2021 and will be applicable from the next academic year. In total 150 new curricula for general education and 388 for vocational education are under preparation and will be rolled out on a pilot basis in the academic year 2021-22.</p>
<p>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 infrastructure mid-2021.</p>	<p>Digital public sector services are being continuously expanded, with the single digital portal now featuring some 1 100 digital services, backed by legislative initiatives to operationalise the new legal framework. The new functionalities, developed in line with the roadmap, include a new classification that allowed the integration of some 200 services offered at regional level, interoperability with citizens’ service centres, and a user helpdesk. Further, the authorities presented an initial overview of secondary legislation deriving from the recently adopted Digital Code. Out of the total 84 acts of secondary legislation identified,</p>

Complementary commitment	State of play and next steps
	seven have already been adopted, including the terms and requirements for remote identification of natural persons for the purpose of issuing a trust service certificate, and the technical specifications for the interoperability of registries and systems; an additional 26 acts have been prioritised by end-April.
<p>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.</p>	<p>Process simplification and digitalisation continues, among others, in the areas of business process registration, electronic delivery of court certificates, and the first phase of legal codification concerning tourism and archaeological legislation. In order to facilitate such initiatives, more than 20 web services were implemented so far, including on user authentication for public servants and data signature using digital certificates. Moreover, work is underway on the cleansing of data and matching of citizens’ records across different public registries, with a view to completing the set-up of a “master interoperability registry” by end-April. Further, the authorities delivered a short-term work plan for simplification, and expect to finalise a full action plan shortly. Key actions prioritised by end-April, include the review of public procurement processes and the financial management framework for payments, and the codification of tax legislation.</p>
<p>Digitisation of geospatial data.</p> <p>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.</p> <p>Develop an Integrated Geospatial Data Mapping tool (Single Digital</p>	<p>The joint tender is experiencing legal complications. The award of the contract, which was expected by April, will be delayed.</p>

Complementary commitment	State of play and next steps
Map) to increase transparency to investors concerning land use rules across Greece and reduce unpredictability in relation to investment licensing decisions by end-2021.	