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COMMISSION STAFF WORKING DOCUMENT

Enhanced Surveillance Report - Greece, February 2022

Accompanying the document

COMMUNICATION FROM THE COMMISSION

Enhanced Surveillance Update - Greece, February 2022

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Progress with the implementation of due specific commitments and relevant continuous commitments (*) given to the Eurogroup (<u>Annex to the Eurogroup statement</u>, 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 2022 budget, voted in December 2021, expects the deficit monitored under enhanced surveillance to reach 1.2% of GDP in 2022, which is aligned with Commission 2021 autumn forecast. The fiscal policy setting planned for 2022 takes into account the continued application of the general escape clause 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. A full update of the fiscal forecast will be prepared in spring in the context of the assessment of the 2022 Stability Programme.
Public financial management. Extend the Chart of Accounts reform to General Government entities by mid-2022.	The work on developing the 2 nd level of functional classification (mid-2022 specific commitment) is ongoing. It is expected to be finalised by end of April and published in the annual update of the Medium Term Fiscal Strategy. The development of the 2nd level of functional classification is assisted by a working group consisted 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 stock of non-pension arrears has decreased significantly since the last report but remained above the target. In December 2021, the stock of non-pension arrears amounted to €238 million, down by €316 million
the accumulation of new arrears.	compared to its September level. The gap to the December target set in the March 2021 clearance plan narrowed to €73 million. The decrease can
Complete the implementation of reforms identified by the Hellenic Court of Auditors.	mainly be attributed to the actions undertaken in the previous period to accelerate the clearance of arrears. In particular, the capital increase to support public entities in the defence sector and payments to public transport companies in relation to the conduct of public sector obligations

Commitment	State of play and next steps
	increased their liquidity and resulted in a significant decrease of their arrears. In addition, the envisaged measures in the sector of public hospitals contributed to the clearance of the biggest part of hospitals' arrears. On the other hand, the results from the application of the mechanism for the prevention of arrears accumulation in local governments are yet to be shown. Some payments already took place in December 2021 but the full impact is expected in the coming months in view of the time lag observed between the activation of the mechanism and the actual clearance of arrears. The non-pension arrears are expected to be materially cleared by end of February 2022.
	The clearance of pension arrears also shows some positive developments. The stock of pension arrears in December amounted to €267 million, down by €93 million compared to the stock in September. This translates to a limited deviation from the target set in October 2021 of €17 million. The observed improvement is a result of a number of factors, including the implementation of the IT system for the processing of pension claims ('Atlas'), the introduction of automated procedures in the pension processing workflow, and the use of smart Business Intelligence tools and analytics. On the other hand, some other initiatives are behind schedule. This concerns in particular the efforts to involve in certified lawyers and accountants into the processing of pensions, where delays occurred partly due to lower-than-expected rates of passing qualification tests and the belated delivery of software automations, which would allow new types of pensions claims (i.e. self-employed, public sector, etc.) to be processed by the IT system. The authorities reiterated their intention to fully clear the pension arrears by mid-2022, as agreed in the twelfth report.
	The implementation of the recommendations made by the Hellenic Court of Auditors and the simplification of fiscal procedures are on track. The vast majority of reforms identified by the Hellenic Court of

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	Auditors have already been completed and the authorities continue their efforts to finalise the remaining ones. Notably, the authorities have amended the regulatory framework for the fixed expenses, which allows for the simplification of payment and control procedures and will help the prevention of new arrears. In addition, the authorities have prepared the Ministerial decision which simplifies the framework of the multi-annual obligations and is expected to be adopted with a delay, by end of February.
Tax administration.	The new IT collection system for the Independent Authority for Public Revenue has encountered delays due to the contractor not submitting
Make the end-to-end IT collection systems fully operational.	a final version of all parts of the IT system on time, as a result the full operationalisation is now expected to take place by September 2022. Some progress has been made, as the Independent Authority, in cooperation with the Ministry of Digital Governance, has set up an IT platform that will host the new IT system ('EISPRAKSIS'). While its full operationalisation was planned by end-April 2022, the Independent Authority still expects a number of its central and special decentralised services, including the directorate of collection and refund, the collection operation unit and the Attica debt collection centre, to start using its core functions (e.g. debtor and debt management, risk analysis and management of insolvency procedures) by then. The final submission by the contractor of the complete IT system is scheduled for end- June 2022. By end-September 2022, the complete IT system will be fully operational and utilised throughout the Independent Authority, including its local tax offices with a collection function, with some 1 100 staff having received training and been assigned as users.
Tax policy.	The authorities have reached the final stage of preparation of the ENFIA property tax reform allowing for the 2022 bills to be sent out in April 2022. The application of the new market-related property tax values will widen the tax base and improve the fairness and economic

Commitment	State of play and next steps
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.	efficiency of the property tax. An agreement has been reached on the detailed tax rate structure and fiscal cost of the reform that will be legislated in February 2022. Owing to technical factors, the tax assessment will take place with a minor delay in April 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 collection of the 2020 clawback is progressing according to schedule for pharmaceuticals and providers. The administrative procedure for the collection of the 2020 clawback for pharmaceuticals and for providers has been completed, fulfilling the milestones for the current review. For pharmaceuticals, the authorities have finalised the instalment plan for 2020, which has been notified to the companies. For providers, the instalment schemes were finalised during January. A total of €35 millions is not covered by instalments and will be collected in one single payment. There is overall good progress in both categories for 2021 and the new collection methodology for providers is proving effective. The calculation of the pharmaceuticals clawback for the first semester of 2021 was completed timely and the quantification stands at €425 million, rather stable compared to the same semester of the previous year (€435 million). The new methodology implemented in 2021 for the collection of the providers clawback is delivering good results, although with some delays. The target of 50% of the 2021 to be collected by the time of the current review will be fully met only in March. However, considering the delay in the introduction of this new system, progress so far can be considered satisfactory.
Health care. Greece will ensure the rollout of the primary health care system, in particular by opening all 240 primary health care units.	The planned adoption of the revised legislative framework for primary health care was postponed to April 2022 and also the openings of the additional primary healthcare units (TOMY) is delayed beyond the current review. The reform envisages patient registration and gatekeeping based on a system of financial incentives, whereby patients who are not

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	registered with a family doctor or do not follow the referral pathway would bear increased costs. Providers would be reimbursed per registered patient based on age-band-specific coefficients reflecting the expected intensity of care required. The model may also envisage means-tested entry fees into the primary health care system. Lastly, new contracts for family doctors contracted by the Single Healthcare Fund (EOPYY) will be implemented as part of the package. There are delays in the planned opening of the 60 additional primary healthcare units, which shifts beyond the current review.
	Some key parameters of the system are still under definition. The outcome of the implementation of this model hinges on elements such as the size of the financial incentives and on the compulsory registration of the whole population, as limited cost differences between self-referring and being referred by a family doctor may not succeed in discouraging self-referrals. There is also an intrinsic risk to equality in access to healthcare, linked to the implementation of a system based on financial incentives. Similarly, the element of entry fees may represent a barrier to access, depending on its final design. Lastly, the stock of public family doctors is still inadequate and its improvement may be affected by the revised contracts for family doctors contracted by the Single Healthcare Fund.
Health care. Achieve a 40% share of centralised progurament in total hospital	The procurement activity by the centralised health procurement body EKAPY is on track for the 40% target to be achieved by end-April 2022. Following the planting of the project health procurement body
Achieve a 40% share of centralised procurement in total hospital expenditure by mid-2022.	2022. Following the adoption of the revised legislative framework in December of last year, the centralised health procurement body EKAPY is progressing towards the recruitment of procurement specialists making use of the increased flexibility provided by the new law. EKAPY will meet its staffing needs through a combination of fixed-term contracts, of permanent positions and secondments. According to the existing timeline of procurements, the objective to reach a value of at least €320 million by end-

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	April 2022 in terms of completed tenders (i.e. signed contracts) appears within reach. This amount represents the 40% of total hospital spending that can be subject to centralised procurement, i.e. €800 million. In fact, current estimates suggest that contracts of a value between €350 million and €370 million could be signed by mid-2022, which may however include some from tenders launched in 2021.
Social welfare. Apply to all disability benefits the new approach for disability determination based on both medical and functional assessment.	Secondary legislation is expected to be adopted by end-March 2022 allowing the application of a new disability assessment approach for granting personal assistance benefits based on both medical and functional criteria. A Joint Ministerial Decision by the Ministers of Labour and Social Affairs and Health setting out the new disability assessment approach to apply for social assistance benefits in April 2022 is underway and is expected to be adopted by the end of March. At operation level, an agreement has been reached between the Ministry of Labour and Social Affairs and the Ministry of Digital Governance's TA framework contract 'Information Society S.A.' that will undertake the implementation of the personal assistance scheme.
Social welfare. Complete the set-up of the single pension fund EFKA.	The authorities completed the setup of the Single Pension Fund (EFKA), fulfilling the commitment under enhanced surveillance. The completion of the setup of the Single Pension Fund was a key commitment to the Eurogroup monitored under enhanced surveillance. The objective of the reform was to improve the efficiency of the pension system and further reduce its administrative costs. To this end, the Supplementary Pension Fund (ETEAEP) and EFKA were merged into e-EFKA in 2020. In parallel, the authorities pursued an ambitious consolidation and digitalisation of all pension system data to speed-up the processing of pension applications. Important steps in this consolidation process included the operational integration of the funds into e-EFKA and the setting up of a new structure for the local offices of e-EFKA. In June 2021, the authorities provided a

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	timeline for the opening of the network of local offices, which would mark the completion of the organizational setup, while the finalisation of the IT infrastructure is progressing well. While originally planned for the first quarter of 2022, the opening of local units was finalized ahead of schedule in December 2021. Over and above the efforts envisaged under enhanced surveillance, the authorities recently put into public consultation a bill that is expected to further support the operation of e-EFKA. The bill envisages incentives for increasing productivity of staff, while strengthening the accountability of its employees and providing more flexible recruitment and procurement rules.
(*) 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. 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 functioning of the early warning platform completed the electronic infrastructure of the new insolvency framework and only the set-up of the sale and lease-back mechanism is still pending. All the necessary secondary legislation has been adopted, with the exception of five ministerial decisions that concern the sale and lease-back mechanism. The early warning platform became fully operational at the start of December, complementing the existing platforms for the debt restructuring of medium and large businesses, the bankruptcy of households and businesses, the out-of-court workout, the insolvency registry and the verification of the status of vulnerable debtors. The out-of-court workout scheme attracted initially strong interest by debtors, which was followed by a more moderate but constant flow of new application initiations in the platform. However, out of the 43 795 applications initiated as of end-December 2021, only 393 applications or 0.9% of those initiated had been submitted and not recalled by that date, while another 28 141 applicants are waiting for the collection of data from institutional creditors. As a response to this low percentage of applications completed so far, the authorities are preparing a new round of workshops, including dedicated in-depth training sessions to familiarise users with the workings of the platform. In parallel,

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	the authorities intend to engage in March in a dialogue with stakeholders on the initial results from the implementation of the new framework.
	The concessionary process for the setup of the sale-and-lease-back entity is expected to be launched in February, following past delays. According to the latest update from the authorities, the final step following a three-stage concessionary process, i.e. the ratification of the conclusion of the selection procedure by the parliament, is now not expected to be taken earlier than mid-February 2023, while the full operationalisation of the new entity is not expected before end-March 2023. The call for the expression of interest is expected to be launched in February 2022 and is due to be completed, with the preselection of eligible candidates, by mid-April 2022, to be followed by the conduct of the competitive dialogue and the bidding phase.
	An interim scheme is being considered by the authorities to ensure a smooth transition until the sale-and-lease-back entity commences operations and mitigate litigation risks. The Insolvency Code provides for the protection of vulnerable debtors under the sale-and-lease-back mechanism. In view of the delays with the establishment of the mechanism, an interim scheme is being designed, according to which the state will provide financial support to vulnerable debtors until the initiation of operation of the sale-and-lease-back entity or for a maximum period of 15 months. This financial support will take the form of a partial state subsidy on the servicing of loans, encumbered with the primary residence of vulnerable debtors that are certified as such under the conditions of the new insolvency code and have been declared bankrupt, or whose primary residence is about to be auctioned. Putting in place strong safeguards will be instrumental in countering unintended use of the scheme and mitigate legal risks.

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	The assignment of new hearing dates for pending household insolvency cases is picking up but clearance of the backlog still falls short of expectations and is not envisaged before end-2023. The authorities have taken steps to increase processing capacity. The latest set of data received by the authorities confirm that the processing of household insolvency cases is advancing, effectively filtering out ineligible applications, albeit at a slower pace than initially expected (¹). Given that, apart from pandemic-related reasons, the high number of unprocessed applications are mainly a result of the limited case-processing capacity of courts, the authorities reported the secondment of 14 judges to courts facing difficulties, of whom twelve have taken up their posts, with the remaining two expected to follow suit in March and April 2022 respectively. Moreover, in order to further accelerate the proceedings by appointing hearing dates as close to the present as possible, the authorities confirmed that the adoption of amendments to the internal working regulations of courts facing the most acute situation is being considered, with a view to allowing the inscription of up to 60 household insolvency cases in the daily docket instead of the current maximum of 30 cases.
	The recent entry into force of numerous revisions of the Code of Civil Procedure is expected to have a positive impact on the case-processing capacity in general and increase the efficiency of enforcement proceedings. Given that the amendments to the Code entered into force on 1 January 2022, it will not be possible to assess their impact before the end

⁽¹⁾ Out of the 49 031 submitted applications, 43 104 were validated by 31 December 2021 (representing a 4% increase since November 2021) and 15 703, or 32% of the total, were assigned a new hearing date (representing a 20% increase since November 2021), while 32 820 cases are yet to receive a hearing date. Of all cases that have received a hearing date, 14 562 (92.7%) are scheduled for a hearing within 2022, 1 081 (6.9%) within 2023 and 60 (0.4%) up to September 2024. In addition to these cases, the authorities have also reported 1 245 instances where only an interlocutory decision (i.e. postponing the issuance of a final decision for need of additional evidence) has been issued by the court and a new hearing is still pending, with 945 cases planned to be heard in 2022, 259 in 2023 and 41 in 2024.

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	of the current judicial year in mid-June 2022. Regarding enforcement proceedings, the procedure for the automatic adjustment of the reserve price in the context of the conduct of auctions should eliminate significant delays in the relevant proceedings. The authorities committed to take statistical surveys of the relevant procedural streams and report to the EIs in the course of the next enhanced surveillance mission.
	The conduct of auctions continues to increase since its resumption in September 2021. According to the aggregated data for 2021 provided by the authorities, out of the 23 073 auctions planned, 11 318 (49%) were concluded, while 11 658 (50.5%) were suspended. A very small number of auctions was cancelled. In the case of successful e-auctions, the majority of the auctioned properties still end up in the banks' and servicers' real estate property portfolios, despite some signs of increased interest from third parties.
	Work is advancing regarding the introduction of enhancements to the e-auctions platform and the adoption of legislation is planned to remove perceived legal impediments. The two working groups referred to in the previous two enhanced surveillance reports were merged and the relevant proposals will be submitted to the Ministry of Justice on a date yet to be defined by the authorities. Finally, the authorities reported being in the process of adopting legislation to expressly expand the territorial scope for the conduct of auctions by Athens notaries in the neighbouring area of Piraeus, thus removing a perceived impediment to such schedulings; the relevant provision is expected to be adopted by end-March 2022.
	The authorities remain committed to meet the agreed targets concerning the processing and clearance of the backlog of called state guarantees by mid-2023 and mid-2024, respectively. The revised action
	plan of the authorities envisages the full examination of accumulated called loan guarantees by the third quarter of 2022 for corporate claims and

Commitment	State of play and next steps
	second quarter 2023 for natural persons' claims, followed by the completion of all payments by the second quarter 2024. There was a material increase in the number of claims examined and the value of expected payments in fourth quarters 2021, but the rate of increase was lower than expected. Moreover, while the processing of claims has accelerated, this is only partially reflected in actual payments, resulting in regular revisions to the intermediate quarterly targets. Meeting the set targets for 2022 will require almost a threefold increase in the claims examined per quarter compared to what was achieved in the fourth quarter 2021 and a more than commensurate increase in payments. This increase will depend on the smooth execution of planned recruitment and training of the additional 35 employees, which is not expected to be completed before the end of the first quarter of 2022. The authorities have committed to provide monthly updates on the pace of clearance and will assess if further corrective actions would be required.
	Discussions progressed well on the future of the Hellenic Financial Stability Fund. The reform of the Fund's legal framework is expected to focus on the duration, governance, divestment strategy and special rights of the Fund. Adoption of the legal amendment is now expected to take place in the coming months and will be reported on in the 14 th report.
(*) Labour market. Greece will safeguard competitiveness through an annual update of the minimum wage in line with the provisions of Law 4172/2013.	Following the 2% increase in the gross statutory minimum wage that came into effect on 1 January 2022, discussions are underway for a possible second adjustment of its level in May 2022 in light of the recent price hikes. Secondary legislation setting out the new gross statutory minimum wage level from 1 January 2022 was adopted on 27 December. The new level brings about a 2% increase compared to its level on 1 January 2019 when it was last changed (e.g. from €650 to €663 per month on a 14-month basis or €773.5 per month on a 12-month basis for workers

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	of up to three years of work experience). A possible second increase in the gross statutory minimum wage is expected to take place in May 2022 following an amendment of Law 4172/2013 that sets out the relevant revision process. The legal amendment shortens the timeline of the consultation process that will apply in 2022 only (from February-July to January-April) allowing for any change in the minimum wage to take place already on 1 May 2022. The process itself and its various steps, including the established consultations with research, scientific and social partners and the involvement of an independent Committee of economic experts have remained unchanged. See the section on macroeconomic developments for further assessment.
Investment licensing.	Secondary legislation for the inspection reform in the last remaining area of environmental protection has not been finalised in time for this
Greece will finalise inspection legislation.	review but is expected to be adopted shortly. The authorities are finalising secondary legislation to enable the activation of the enforcement management model, which is necessary to facilitate a harmonised approach in the application of enforcement. Adoption of this last piece of legislation, which has been delayed due to the necessary consultations to ensure constitutional conformity of the reform, is now expected shortly, as the consultations have recently been completed. This will mark the completion of the environmental inspections reform and the commitment.
Investment licensing. Greece will finalise the simplification of investment licensing procedures in the agreed remaining sectors.	The authorities successfully completed the commitment to finalise the simplification of investment licensing in the agreed sectors. The authorities completed the last step through the adoption of the secondary legislation for the simplification of licensing procedures for education activities, i.e. private institutes for vocational training, colleges, private tutoring centres and language centres. Completing the technical setup of the new simplified processes for all recently reformed activities would allow for a swift implementation of the simplified procedures. This reform

Commitment	State of play and next steps
	has led to streamlined licensing requirements and has reduced the extent of ex-ante control currently imposed for several economic activities on the basis of a risk-assessment approach. In addition to the abovementioned activities related to education, the reform covered the areas of transport and transport-related services, social welfare, tourism, physical well-being, personal and health services, leasing of maritime leisure equipment, lifeguard training, livestock installations, aquaculture, veterinary clinics and pet breeding and trading. With support from the EU's Recovery and Resilience Facility, the reform will be further extended to new economic activities, including canteens, internet rooms, organization of conventions and trade shows, child day-care activities, social care housing facilities for the elderly and disabled, tourist ports and ski resorts. A new licensing framework will also be developed in line with the principles of the reform for non-therapeutic spas and massage centres, artificial tanning units, and storage of boats in land areas.
Cadastre. Greece will fully establish the cadastral agency and complete 45% of cadastral mapping, with a view to ratifying the complete cadastral mapping and forest maps.	The cadastral mapping and the transition to the full establishment of the Hellenic Cadastre continued to progress in the past three months. The tender for the digitalization of the mortgage offices has been launched and offers were received on 11 January 2022. The collection of property rights has reached 84% of the total property rights of the country. Out of these, 35% are in operating cadastre and 19% in public display, which means that 54% of the country's total property rights are at the stage of public consultation or at a later stage. It is expected that 60% of total property rights will be in operation or publicly displayed (uploaded) by end-April 2022. This figure will reach 71% in October 2022. The ratification of the last 50% of forest maps will start in May 2022 and will be completed by July 2022. About 50% of the country has ratified maps; another 45% of the maps were uploaded for public consultation (for the citizens to detect errors and raise objections) in

Commitment	State of play and next steps
	February 2021. These maps were due to be ratified by April 2022. The authorities have granted an extension of the objections period of four additional months in October 2021. The extension was justified by the impact of the wild fires of summer 2021 which destroyed 130 000 ha of forest land and stretched the capacity of the forest services which additionally triggered a major reorganisation of the services. According to the revised plan, it is expected that by July 2022, 95% of the forest maps would be ratified and 96% would be achieved by October 2022. The ratification of the forest maps is necessary for the completion of the cadastral mapping.
	Regarding the transition to the new entity, 9 cadastral offices (out of 17) and 38 branches (out of 75) have opened and the corresponding mortgage offices have been closed. Opening of new offices continues at a rate of two per month and it is estimated that by April 2022, 55-57 cadastral offices and branches will be in operation. However, the rate of further openings may be affected by a lack of managerial staff. Recruitment of 28 specialists for the positions of Heads of Cadastral offices was launched in January 2022 through the High Council for Selection of Staff (ASEP). The recruitment process is expected to last about a year, which could affect the timely completion of the transition.
(*) Hellenic Corporation of Assets and Participations (HCAP). The Strategic Plan of HCAP will be implemented on a continuous basis.	The strategic plan was approved by the General Assembly on 31 January 2022 and started to be implemented by the Corporation. The Plan sets out the top-level key performance indicators by which the Corporation will track its performance, as well as detailed actions for the Corporation to act as an investor and a reformer in the state-owned enterprises in its portfolio. Within the framework of the enhanced engagement of the Corporation in its subsidiaries, it is planning to monitor closely the alignment of the business plans of the subsidiaries to the Strategic Plan, including the close monitoring of the set for each

Commitment	State of play and next steps
	state-owned enterprise key performance indicators. Key for improving the performance of the state-owned enterprises under the Corporation is the adoption of a set of changes that are needed to modernise the legal framework applicable to state-owned enterprises. The necessary changes are set out in the Strategic Plan. They include enabling state-owned enterprises' boards to exercise the typical responsibilities of public limited companies (sociétés anonymes), including in relation to staffing and internal organisation, as well as strengthening internal controls and utilising synergies. The changes are expected to be reflected in the forthcoming legislation setting out broader modernisation of the legal framework applicable to state-owned enterprises (see dedicated paragraph below).
	Shortly before the closure of this report, the Council of State provided its decision relating to the Corporation's ownership of the majority stakes in the water utilities of Athens and Thessaloniki. The Council of State ruled in February 2022 the transfer of these stakes to the Corporation in 2018 unconstitutional. The decision and its implications for the Corporation's portfolio is currently under assessment.
	The Corporation has begun implementing the updated strategic plan, in particular in relation to asset valuations. It has begun the process of tendering advisors to provide valuations of all assets to give a reliable valuation of the whole portfolio. For state-owned enterprises this valuation is expected to be completed by the end of 2022. For the Public Real Estate Company (ETAD), which comprises the main part of the valuation given its extensive real estate portfolio, the valuation is scheduled for completion by the end 2023 – though the process will be structured to provide initial actionable information soon after the process begins.
	The Corporation finalised updates to the Investment Policy and this was approved by the shareholder on 31 January 2022. The Investment

Commitment	State of play and next steps
	Policy will be supplemented by a Technical Supplement covering technical matters, which is expected to be finalised by end-February.
	Following the conclusion of the work of the Steering Committee set up under the Coordination Mechanism on the preparation of a performance contract for the Athens Urban Transport Organisation (OASA), the competent Government Committee approved the performance contract, which was subsequently signed by the Athens Urban Transport Organisation and the competent ministries on 2 December 2021. The performance contract is intended to clarify the financial relationship between the Athens Urban Transport Organisation and the state and link financial transfers by the state to the performance of specific policy objectives. Budgetary appropriations have been made by the Ministry of Infrastructure and Transport for the implementation of the contract in 2022. The next step for the full implementation of the contract is the issuance of a joint ministerial decision that would make possible the payment on a monthly basis, in 12 instalments of the budgeted amount. The joint ministerial decision is expected to be issued by end-February.
	Also in relation to the Coordination Mechanism, the Statements of Commitments of each state-owned enterprise will now need to be updated following the approval of the strategic plan. This is expected during the first quarter of 2022. The Statements of Commitments set out key objectives for state-owned enterprises as agreed between the state-owned enterprise and the Corporation, and will need to be updated to reflect the strategic priorities set out in the strategic plan.
	The authorities prepared components of a first draft of the legislation for the modernisation of the institutional framework for state-owned enterprises. The draft legislation aims at the codification, improvement and modernisation of the current legal framework applicable to the state-owned enterprises inside and outside the Corporation. The draft

Commitment	State of play and next steps
	legislation is divided in two sections (i) a section on public limited companies in which the state has at least 50% of the share capital but which are not held by the Corporation and (ii) a section on the indirect subsidiaries of the Corporation. The institutions look forward to a constructive engagement with the authorities in the final elaboration of the specific legislation, following the sharing of the draft legislation with the institutions. The Corporation has specified a set of reforms to the framework in its Strategic Plan that are all necessary for the effective functioning of the enterprises in the Corporation's portfolio.
	There has not been material progress in improving the management of the real estate portfolio. The holistic strategy from the Public Real Estate Company (ETAD) aimed at accelerating the development of the company's assets remains pending. The Public Real Estate Company has continued its efforts to improve the performance of specific assets and has seen some success on those projects. However, systemic improvements across the portfolio as a whole, with a view to delivering an overall yield for its portfolio that is comparable to peers, are not evident. Turning this situation around, and delivering value from the real estate portfolio, is a critical responsibility of the Public Real Estate Company and key to the success of the Corporation. To achieve this turnaround, it is fundamental for the Public Real Estate Company to be viewed as, and operate like a private sector real estate manager. The valuation exercise that will unfold over the coming 18 months is also intended to create a clear basis for performance measurement and improvement.
	With regard to the transfer of the eligible real estate assets included in the 2018 package to the Public Real Estate Company, a working group has been set up to accelerate the process of final verification of the eligible for transfer assets and resolve potential issues. The working group is composed of representatives from the General Secretariat for Tax

Commitment	State of play and next steps
	Policy and Public Property, the General Secretariat for Coordination, the Hellenic Corporation of Assets and Participations and the Public Property Company (ETAD). The final verification process is expected to be concluded by end-May 2022 and the eventual transfer of the eligible assets by end-June 2022.
HCAP. Complete the transfer of the Olympic Athletic Centre (OAKA) to HCAP.	The authorities continued the work on the development of the master plan. A study setting the guidelines for the financial sustainability of the facility, that will provide input to the plan for the future use of the facility as a civic park, leveraging its core athletics heritage, and adding various mixed-uses aimed at increasing the site's amenity to citizens and tourists and at ensuring the financial sustainability of the facility, is expected to be finalised by end-February. Separately, the authorities are preparing a tender for a detailed feasibility study (including a relevant business plan) based on the guidelines and strategy depicted in the consultants' preliminary study under finalisation, looking at issues such as market depth in order to evaluate the financial feasibility of the various uses under consideration. This feasibility study/business plan is expected in March 2023. It is reiterated that it is crucial that the overall strategy for the site ensures that the site can generate enough revenue to ensure the financial sustainability of a high quality civic facility over the long term, covering not just maintenance, but expected improvements and capital investments.
Privatisation.	The Government Pending Actions List was updated by the Fund in January 2022. Progress with specific transactions since the last report has
The Asset Development Plan will be implemented on a continuous basis.	been as follows:
With a view to swiftly attracting investment to support a sustained economic recovery, complete the transactions on HELPE, Egnatia,	Egnatia: The authorities reiterated their commitment to proceed with the completion and operation of the toll stations as well as with the completion of the works and the licensing of all tunnels. In line with the submitted during the last review timetable, the authorities launched the construction

Commitment

DEPA commercial, regional ports of Alexandroupolis and Kavala, AIA shares, EYDAP and EYATH.

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.

State of play and next steps

works for two lateral toll stations (Chalastra) in mid-February 2022, and the construction works on four additional toll stations (three lateral and one frontal) continued. Pending is the launching of the construction in the last two lateral toll stations, whereby the technical resolution of an open issue needs to be decided. In total, 17 out of 18 frontal toll stations and 31 out of 40 lateral toll stations are currently in operation. With regard to the licensing of the remaining 16 tunnels under category E (i.e. excluding the transport of dangerous cargo), a study has been finalised in January 2022, providing clarity as to what additional works will be needed. By end-April 2022, it is expected that there will be the completion and operation of one frontal and three lateral toll stations, the licensing under category E of seven tunnels and the submission of the file to the Court of Audit. By end-October 2022, the two lateral toll stations in Chalastra are expected to be put into operation, and the remaining tunnels licensed under category E. The financial closing is planned for the end of 2022.

Regional ports of Alexandroupolis and Kavala: The draft Concession Agreement for the port of Alexandroupolis was uploaded on the virtual data room for comments to the prequalified investors on 15 December 2021. The expropriation process of the private properties in the upland zone area of the port of Alexandroupolis is in progress. The competent Ministries of Finance and Shipping have decided on the next steps as regards the necessary budgetary resources to be made available for the expropriation. The submission of binding offers is scheduled for end-April 2022. The selection of the preferred investor is expected by end-July and the financial closing by end-December 2022. For the port of Kavala, binding offers are expected by end-February 2022, whereas the selection of the preferred investor is expected by end-April. Financial closing is expected by end-December 2022.

Commitment	State of play and next steps
	Regional port of Igoumenitsa: The Concession Agreement document was finalised in December 2021 and sent to the competent Ministries for comments. It was subsequently uploaded on the virtual data room to the pre-qualified investors for comments on 9 February 2022. The pending issue on the determination of the upland zone of Igoumenitsa port has been fully resolved as it is clearly specified in the concession agreement, and thus the tender process can proceed. The submission of binding offers is scheduled for end-June 2022. The selection of the preferred investor is expected by September 2022.
	Regional port of Heraklion: The completion of the assessment of the Investors Expressions of Interest and the short listing of the prequalified parties for the binding offers phase is expected by end-February 2022, thus launching the binding offers phase for the transaction. The submission of binding offers is scheduled by end-September 2022.
	Public Gas Corporation (DEPA) Infrastructure: Following the approval of the file by the Court of Audit on 11 November 2021, the Share Purchase Agreement between the preferred investor, and the current shareholders of DEPA Infrastructure (the Fund having a stake of 65% and Hellenic Petroleum with a stake of 35%) was signed on 10 December 2021. The next steps are the approval of the preferred investor by the Hellenic Competition Commission and its certification by the Regulatory Authority for Energy. The financial closing of the transaction is expected by end-April 2022 for a financial offer of €733 million (for the 65% stake of the Fund, this corresponds to €476 million).
	Public Gas Corporation (DEPA) Commercial: The Fund decided to extend the suspension of the Binding Offers Phase of the tender further, so as to have more clarity on the outcome of pending issues.

Commitment	State of play and next steps
	Underground Natural Gas Storage (UGS) South Kavala: Following the completion of all technical studies and their uploading on the virtual data room, prequalified investors were granted access to the Virtual Data Room in December 2021. The first draft Concession Agreement is expected to be shared with prequalified investors by end-February 2022. The pending issue on clarity of the tariff setting framework is expected to be resolved via a decision of the Regulatory Authority for Energy expected by end-February 2022. Based on the envisaged timeline of the tender, submission of binding offers is expected by end-May 2022. The selection of the preferred investor is expected by end-July 2022 and the signing of the concession agreement by end-December 2022.
	Gournes Heraklion: Following the submission of binding offers on 15 October 2021, an electronic auction was conducted with the participation of the prequalified for improved financial offer investors for the exploitation of part of the former American military base of Gournes in Heraklion, Crete (a beachfront land plot of 345 567 square meters located 13 km from the airport and 16 km from Heraklion). The development of Gournes is described by many as a smaller Hellinikon project. On 9 December, the Board of Directors of the Fund approved the result of the electronic auction of improved financial offers for Gournes and nominated as preferred investor the highest bidder of the electronic auction process, with a total consideration of €42.2 million in nominal prices. The file of the tender process is expected to be sent to the Court of Audit by end-February for pre-contractual review. The financial closing is expected by end-July 2022.
	Attiki Odos: The Attiki Odos is a modern motorway extending along 70 km. It constitutes the ring road of the greater metropolitan area of Athens and the backbone of the road network of the whole Attica prefecture. The tender for the award of a concession agreement for the

t steps
hases: Phase A (submission of expression of interest of investors) and Phase B (submission of binding of the concessionaire). The tender for the submission atterest was launched on 20 January and the deadline ressions of interest is 20 April. The completion of the estors Expressions of Interest and the short listing of es for the binding offers phase is expected to be a 2022, thus launching the binding offers phase for abmission of binding offers is scheduled for the end evious reports, some transactions had to be delayed to fall in the assets' capitalisation value or the impact the level of economic activity. This applies to the dother sale of 30% of Athens International Airport.
ve been completed for 95% to all posts, thus ific commitment. In total, more than 346 500 job on prepared. Together with the digital organisation since January 2021 ² the job descriptions constitutes establishment of an integrated human resources or the Greek public administration. ing the way for the appointment of a Permanent stry of Education and Religious Affairs have been exted to be adopted by end-February 2022. The
stry of E

² 9th Enhanced surveillance report, European Commission, February 2021.

Commitment	State of play and next steps
	considered to be consistent with the principles of the Executive State Law in terms of delegation of signature powers to civil servants.
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.	Work on the codification of labour legislation continues with a view to adopting the Labour Law Code and Code of Labour Regulatory Provisions in May 2022. A cooperation agreement has been reached between the Ministry of Labour and Social Affairs and the Secretariat General for Legal and Parliamentary Affairs on the way forward. A first codified draft of the Labour Law Code and Code of Labour Regulatory Provisions is expected to be submitted by the Ministry to the Secretariat General for Legal and Parliamentary Affairs by the end of March 2022. The Central Codification Committee will proceed with the review of the codified legislation as a priority. Adoption of the Labour Law Code and Code of Labour Regulatory Provisions is expected to take place in May 2022.
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).	Implementation of mandatory e-filing in administrative courts is advancing and both parts of the project are expected to be concluded by April end of the first quarter of 2022. The pilot phase for the interconnection with the Legal Council of State database was completed on 20 January 2022 and the authorities confirmed that the competent committee accepted delivery of the work on condition of correction of bugs within February, with the productive functioning of the interconnection being expected by the first week of March 2022; as for the extension of the functionality of the administrative courts' platform, the implementation of the contract was completed on 21 February 2022; the currently ongoing two-month pilot phase is due to lead to the full operationalisation of the project by end-April 2022, whereupon the e-filing of all kinds of documents and submissions is expected to become available, bringing the project to its conclusion.

Commitment	State of play and next steps
Commitment	The launch of the call for bids for the integrated case management system for civil and criminal cases ('OSDDY-PP') has been further delayed and is due to be launched in March 2022. Following the expiry of the public consultation period on 16 November 2021, the finalised call for proposals was amended to incorporate selected feedback and is being finalized by the managing authority; the authorities committed that the call will be launched in the first week of March 2022, with a six-month delay. The European institutions reiterated their concern about the delay in the launch of the call for proposals tender and encouraged the authorities to ensure the efficient and unhindered conduct of the process going forward, so that the award of the contract will be effected as projected by the call of proposals. An e-docket platform has been launched in Athens and its functionality will gradually extend across the territory of Greece. Regarding the digitisation of court dockets, for enabling stakeholders to register and monitor the progress of cases through the courts, an online platform was operationalized on 1 December 2021, covering the Athens first instance court; citizens and legal stakeholders can henceforth query the platform, using a different search criteria, on the exact location of hearings and on the status of the civil or penal procedure of interest (heard, adjourned, cancelled etc.). The authorities intend to gradually extend the functionality of the platform to all courts across Greece, starting with the three remaining 'OSDDY-PP (first phase)' first instance courts (Piraeus, Thessaloniki and Chalkis). The relevant draft contract is currently being reviewed by the Court of Audits and is expected to be finalized by the end
	of the first quarter 2022, enabling the gradual territorial roll-out of the platform functionality, starting in late May 2022, with a projected completion date by end August 2023.

Commitment	State of play and next steps
	The e-divorce procedure is now fully functional. Following the adoption of the Joint Ministerial Decision allowing for the operationalisation of the e-divorce platform on 31 December 2021 (³), the procedure entered its fully operational stage for the general public on 3 February 2022.
	Further selected improvements of court procedures have been planned and are to be implemented in the context of the Recovery and Resilience Facility. The authorities intend to develop and put into use eplatforms for selected judicial procedures (small claims disputes, third-party statements in enforcement proceedings, the consensual grant of collateral in the context of loan agreements and payment orders). In this context, they have solicited and received feedback by judges and contemplate implementing the relevant projects in the context of the second phase of the OSDDY-PP project, as part of the justice-related actions of the Recovery and Resilience Plan.
Fight against corruption. Implement all recommendations addressed by the Group of States against Corruption (GRECO).	The authorities continued working towards implementation of the remaining recommendations from fourth evaluation round of the Group of States against Corruption (GRECO). 1. Recommendation on the selection of senior positions of judges and prosecutors, and on disciplinary proceedings: The new Code for the Organisation of Justice and the Status of Officers of the Courts aims at
	enhancing the process within the current constitutional framework. Its adoption has been delayed and it is now expected to be tabled to Parliament by the end of April 2022 (see also a specific section on Justice below). 2. Recommendation on providing guarantees against delays and improving caseload management: Work continues with additional measures to address

⁽³⁾ Ministerial Decision of the Ministers of Justice and the State No. 70057 OJ B 6390/31 December 2021.

Commitment	State of play and next steps
Commitment	this recommendation including: (i) implementation of IT case management systems; (ii) establishment of JustStat unit for judicial data collection; (iii) qualitative elements for guiding and assessing the work of the courts to be introduced in the new Code for the Organisation of Justice and the Status of Officers of the Courts; (iv) improvements to the Code of Civil Procedure to simplify, digitalise and accelerate trial proceedings and to enhance legal certainty; (v) inclusion in the new Code of Criminal Procedure of tools such as criminal mediation and conciliation. The recommendation is expected to be implemented by April 2022. 3. Recommendation on setting clear standards of professional conduct and integrity: The Charter of Judicial Ethics was adopted by the administrative full plenary of the Council of State in December 2021. In its latest plenary meeting, the Group of States against Corruption terminated the Rule 34 procedure on Greece concerning bribery of public officials. More specifically, the relevant recommendations were implemented through amendments to the Criminal Code and the Code of Criminal Procedure adopted in November 2021 that included the following: (1) rising the bribery of public officials sanction to
	imprisonment; (2) limiting the scope of corruption clauses that can be subject to abstention of prosecution; (3) extending the concept of a public official as a subject of the crime of bribery to foreign officials; (4) repealing provisions on effective regret.

Complementary commitments undertaken by Greek authorities in May 2020

Complementary commitment	State of play and next steps
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.	The Code for the Organisation of Justice and the Status of Officers of the Courts is expected to be tabled to Parliament by the end of April 2022, and enter into force upon publication in the Official Journal shortly thereafter. The authorities assured the European institutions that the new code will contain the newly elaborated chapters on disciplinary proceedings, evaluation and professional advancement of magistrates in their full and final form. The revised sections are expected to contribute to increasing the efficiency and effectiveness of courts by revising evaluation standards and mechanisms and by putting in place a fair and effective disciplinary framework. Among other things, the Code is expected to contribute to alleviating the challenges faced by courts in dealing with personal insolvency backlogs monitored under the financial policy commitment, in the sense that its revised disciplinary and promotion rules will foster a culture of stricter adherence to high professional standards amongst the members of the judiciary. A quick progress with the key legislation is critical for a successful completion of the specific commitment on the fight against corruption. The authorities committed to sharing the text of the draft code in early March 2022, prior to the launch of the public consultation procedure.
Justice.	The adoption of the requisite secondary legislation for the operationalisation of the JustStat unit of the Ministry of Justice is
Present an action plan for the creation of a specialized 'JustStat' unit	expected to be adopted with a nine-month delay, by end-March 2022.
for data collection and processing to measure and improve the	The draft presidential decree to operationalise the JustStat unit was
performance of the judicial system and introduce the relevant legislation.	examined by the Council of State for conformity with the constitution and its remarks will shortly be addressed to the Ministry of Justice; following
	the completion of the appropriate amendments to the text, it is expected to
	be adopted by end-March 2022. The authorities confirmed that the members

Complementary commitment	State of play and next steps
	of the supervisory committee will be appointed within two months from the adoption of the presidential decree.
Public administration. Strengthen the hiring control of the public sector through setting an annual ceiling of temporary staff.	A needs assessment of permanent and temporary teachers in the medium- to long-term will be completed by April 2022. The authorities have assigned the Ministry of Interior to carry out this study with the support of an independent human resources auditor. The study is expected to include considerations regarding the 3 000 exceptional temporary staff hired for the 2022-23 school year that have not been fully offset so far by reductions in permanent teaching positions. The authorities have confirmed that a timeline and overall scope for the needs assessment has been set and an independent human resources auditor has been assigned. As part of the authorities' commitment to strengthen central control of hiring and salary provisions, a list identifying deviations from the unified wage grid has been finalised with relevant legal provisions to be adopted by April 2022. The list setting out deviations from the unified wage grid covers the period from 2016 until September 2021 will be presented to the Council of Ministers in February 2022. Legal provisions to address any deviation not considered justified are expected to be adopted by April 2022. Finally, a detailed report setting out the revised methodology for the allowance for hazardous and arduous has been made publicly available. The revised framework, which allows for greater transparency and predictability with the overall cost remaining unchanged, is expected to be adopted by all ministries by February 2022.
Management of public real estate.	The preparatory work on drawing up a holistic and coherent strategy
Draw up a holistic and coherent strategy aiming to optimize the protection, management and investment-oriented exploitation of	is progressing. The collection of all the required information and the drafting of the request for proposal for the consultant that will work on the study for the elaboration of the real estate strategy is underway and it is expected to be finalised by end-February 2022. The process for the selection

Complementary commitment	State of play and next steps
public real estate, including all organizations involved with public real estate management, without prejudice to their mandates.	of the consultant, who will undertake the study is expected to be concluded by mid-April 2022, so that the work can start immediately thereafter and be completed by end-June 2022 with the finalisation of the strategy. As already reported in the 12 th enhanced surveillance report, 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.
Public procurement.	The authorities adopted two pieces of secondary legislation critical for the implementation of newly introduced elements of the new law, while
Adopt a new public procurement strategy for 2021–2025 by end 2020.	the final one remains pending. The two adopted joint ministerial decisions concern the establishment of a certification framework to allow the deployment of private-sector engineers in the audit of certain value contracts for public works and studies. However, the adoption of the third pending joint ministerial decision to fulfil this commitment, which concerns the set-up of a new legal entity to develop and maintain a new integrated system for technical specifications and costing of technical works, has been delayed and is now expected shortly. The latter constitutes an important first step to introducing a unified approach in the technical and financial management of all public works, in order to overcome distortions that lead to large variations in the technical specifications and pricing of similar projects. The actual transition to the new system itself will take place following the achievement of the system's full productive operation, which is expected by September 2022.
Education.	The draft law on higher education is advanced, but not at a pace that would allow a closer assessment. This means a further delay of this additional commitment compared with the agreement reached in the previous report, which was to have the draft law ready by end-2021 and vote it in Parliament in the first quarter of 2022. The delay is partly due to

Complementary commitment	State of play and next steps
Enhance the autonomy of higher education by strengthening the accountability and transparency framework and through the introduction of the University Councils.	the substantial effort that was needed to keep universities open during the latest outbreak of the fourth COVID wave. The revised timetable is to put the bill in public consultation in March 2022 and adopt it in May 2022.
	The upcoming law foresees the establishment of a university council for each institution to further strengthen the autonomy of the higher education institutions. Apart from the reform of the governance, upcoming reforms will include the continuous education of teachings staff, graduate tracking to follow-up on the graduates' employability and the initial training of graduates for teaching in secondary education.
	The new Higher Education Act is also expected to cover technological education, which was practically abolished in 2018-19. Reinforcement of the technological sector of higher education institutions is important to improve links between higher education and the labour market and to create credible prospects for the professional integration of their graduates. The new legislation will increase diversification within the university sector to ensure that the orientation of studies in applied sciences and technology is provided and strengthened.
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.	The authorities successfully completed the set-up of the single digital (gov.gr) portal backed by relevant initiatives to ensure system interoperability and robustness, in line with the guidelines and priorities set out in the National Digital Transformation Strategy and the urgent needs arising from the evolution of the pandemic. The portal, which brings to date more than 1 300 services, constitutes a key first step towards creating a digital public administration and improving the quality of services offered. At the same time, it paves the way for the creation of an extended innovation ecosystem with gov.gr acting as an open technology enabler for third parties. Recently added functionalities and applications include business intelligence to generate analysis on the use of services and

Complementary commitment	State of play and next steps
	user traffic flows, a helpdesk platform for services hosted, and a digital repository for all Greek legislation since the establishment of the Greek state. Moreover, the authorities continue to implement initiatives to ensure interoperability and secure data exchange, which enable the provision of new services and ease the administrative for businesses and citizens. A recent initiative concerns the redesign and digitalisation of the procedure to enable the start-up of a private business without the need to visit any public service. Going forward, an ambitious set of interventions aimed at further enhancing the provision of customer-oriented digital services is envisaged under Greece's recovery and resilience plan.