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Task Force for Greece: Progress on technical assistance

The Task Force for Greece, launched by President Barroso in July 2011 to provide technical assistance to the Greek authorities, publishes its fourth progress report today. The Task Force, which has staff both in Athens and Brussels, identifies and coordinates technical assistance (TA) to help Greece deliver on its commitments in the context of its economic adjustment programme, and to accelerate the absorption of EU funds. Assistance focuses on measures to enhance competitiveness, growth and employment.

How has the Task Force progressed in technical assistance?

During the first quarter of 2013, the Greek authorities made greater use of technical assistance to support a broader range of reforms. The TFGR now supports an extensive range of reforms in **12 principal policy areas**. In addition to the policy areas described in the last quarterly report¹, the TFGR has become active in providing TA for reforming the regulatory framework for transport and utility infrastructure. This aims to enhance performance of these critical sectors as well as to support privatisation and completion of the land registry. TA has also started to support projects in the areas of renewable energy, environmental protection and tourism.

The depth of TFGR engagement in each policy area has also increased. Each of the 12 policy domains comprises a number of projects of varying scale and complexity. In total, the **TFGR is, or has been, involved with 93 work streams in the 12 policy areas**.

The delivery of TA intensified significantly in the first quarter of 2013. Over 30% of the TA (measured in expert days/meetings), or 40% of total expert visits, arranged by the TFGR since its creation in September 2011, was delivered in this quarter.

The TFGR also supports the Greek authorities in a number of other ways. For example, TFGR staff contribute to policy dialogue (e.g. in the areas of health or privatisation), and facilitate interaction between European Commission services and Greek ministries on specific infringement cases.

¹ (1) acceleration of cohesion policy projects; (2) access to finance/financial sector; (3) reform of the public administration; (4) budget and taxation; (5) anti-corruption and anti-money laundering; (6) business environment; (7) public health; (8) reform of the judicial system; (9) labour market and social security, (10) migration, asylum and borders; (11) other activities of the TFGR.

How exactly is the TFGR assisting?

In response to demands expressed by the Greek authorities, the **TFGR organises the delivery of TA** to support a wide range of structural reforms to be implemented by the Greek government, primarily for reforms agreed in the context of the economic adjustment programme. The Greek authorities have identified the most important needs in terms of their urgency, maturity and contribution to lasting structural reform in Greece.

For the different reform processes in which it is involved, the TFGR typically assists by agreeing a **work programme** with the Greek authorities. This usually specifies clear deliverables, deadlines and intermediate milestones, terms of reference for TA assignments, and defines the required resources and the Greek entities whose involvement will be needed.

The **TFGR mobilises expertise or targeted support** from Member States and other potential providers of TA. These assistance providers include around 20 Member States and a number of international organisations (EIB, EIF, OECD, Council of Europe, IMF, UNECE, World Bank, EBRD) plus EFTA and EEA states Norway and Iceland.

Over half of TFGR coordinated technical assistance, as measured by expert days on the ground, supported reforms in the areas of budget and administrative reform. Other policy domains as measured by this indicator include the business environment, anti-money laundering/anti-corruption, and health. A total of 240 expert missions have been organised, and 24 dedicated workshops or events have been organised up to the end of March 2013.

In addition to the organisation of short-term missions, the **TFGR has arranged grants and/or contribution or delegation agreements** with international organisations (such as IMF, UNECE, WBG) as well as national public bodies for TA to Greece totalling more than **€8 million**.

In which ways does the TFGR deliver assistance?

TA can be provided in the following ways:

- **short term expert missions** or workshops where national administrations present their suggestions for TA to their Greek counterparts, enabling them to identify the most suitable solution for their needs. This type of work has been very typical in the initial, diagnostic stages of our work – to identify needs and develop first ideas on remedial action;
- **more sustained support** from particular EU Member States or organisations with specialised know-how. This can involve the longer-term presence of experts or cooperation with the Greek authorities to provide technical solutions in areas like ICT. This type of assistance is increasingly needed to help to implement complex reform projects and steer change management in the Greek public administration. It requires sustained presence on the ground to assist the Greek project managers on an ongoing basis. This is resource-intensive activity. The TFGR helps by identifying project partners for the Greek authorities and arranging, where possible, the financing of the necessary assistance.
- in some instances, a Member State government with a strong track-record in a particular policy field has assumed the responsibility of a "**domain leader**". The domain leader is involved at an early stage of the project, including in the definition of roadmaps. In these instances the TFGR facilitates on-going cooperation between the Greek authorities, the domain leader and other TA providers.

The matching of TA supply and demand is organised through high-level coordination meetings, organised by the TFGR and involving Greek authorities, present and potential TA providers and European Commission services. The Task Force, or where applicable, the domain leader, coordinates the delivery of the TA agreed in the work programme. TFGR also provides support with practical administration (such as in the organisation of workshops and other activities to mobilise expertise). Furthermore, the TFGR helps the Greek authorities to supervise and monitor all agreed projects.

Which are the areas in which most has been achieved so far?

The areas where technical assistance coordinated by the TFGR has gained the most momentum are public finance management and tax administration; acceleration of cohesion policy projects; administrative reform of the central government; business environment including reform of export and customs administration; and reform of health policy.

More recently, good progress has been made in reforms in the area of anti-corruption, anti-money laundering, access to justice and network industries and services.

Detailed examples

(1) Acceleration of cohesion policy projects

The absorption of cohesion policy funds has continued to progress and has reached an average of 56% of the financing envelope for Greece – compared to 46.25% at the end 2012. Despite this, there is a risk that some programme funds will be lost at the end of 2013 if they are not quickly earmarked for use. Particular attention and monitoring by Commission staff and TFGR continues to be focussed on the list of priority projects².

Negotiations on the revised terms for the long-delayed motorway concessions, which are particularly significant in terms of the potential employment and economic impacts, continue on the basis of positions concluded between the government and concessionaries in December 2012.

The Commission and TFGR to support the Greek authorities have carried out a major exercise to simplify management, and control procedures for ongoing structural fund projects is nearing conclusion. Work has also started on developing a significantly streamlined set of procedures for the next programming period (2014-2020).

(2) Access to finance and financial sector

TFGR has helped in the setting up of an "Institution for Growth" to support the financing of the Greek economy. The advisory committee helped the Ministry of Development in working on the possible gaps in the Greek financial market, particularly when it comes to liquidity sources.

The potential to develop microcredit in Greece, including through non-bank financial institutions, is being explored with the Greek authorities and notably with the Bank of Greece.

² http://www.espa.gr/en/documents/priorityprojects/ypaan_120116_espa_projects_en.pdf

(3) Reform of public administration

A roadmap for reform of the central administration was adopted by the Greek authorities last January with the objective of achieving a leaner, better coordinated and more efficient state (following work conducted in the context of the Administrative Reform operational programme).

During the last quarter, the Greek authorities have taken significant steps to help implement this reform. A Council for Reform, under the Prime Minister's authority, is supervising the reform of the central administration and taking the necessary decisions.

Many challenges lie ahead, however. For example, the legal framework for coordination between Ministries (an important element to improve the way the administration functions, in particular in planning, monitoring and preparing the necessary arbitrages) was adopted last December. However, the operational implementation of the coordination is still to start. Also, evaluation of all public entities must be completed, and proposals for transformation adopted and implemented. Overall, the Greek authorities need to continue or strengthen their efforts, focus and impetus on the implementation of this reform. 2013 is considered as decisive for the operational transformation of the administration.

A roadmap for the reform of the administration at regional and local level was adopted in March last year. During the first quarter of this year, the implementation of the roadmap regained momentum. A number of subcommittees began working on the topics regarding the transfer of new powers and exercise of existing ones (in particular, spatial and urban planning), management of local government property, strengthening the capacity of local government for planning and implementing investment programmes, and administrative organisation. The remaining sub-committees, foreseen in the roadmap, are to start their work shortly.

(4) Budget and taxation

Technical assistance continues at a sustained pace. In the area of tax administration, TA was provided in a variety of fields including: institutional and governance reform; organisational reform; support (notably in form of training) for key functions of the tax administration such as audits of important categories of taxpayer; reform of the overall tax system. A new head of the tax administration was appointed in January this year. This means that there is now a high-level Greek counterpart for the technical assistance programme who is responsible for coordinating the implementation of reforms.

Streamlining legislation related to the tax administration (Tax Procedures Code) will be the focus of particular attention in coming months. In the area of public financial management (PFM), TA from the IMF and European Commission has supported the creation of General Directorates for Financial Services. It has also supported the development of the ongoing Enterprise Resource Planning (ERP) IT project. Implementation of the Road Map agreed with the Hellenic Court of Audit is also proceeding.

(5) Anti-money laundering and anti-corruption

Implementation of the Anti-Money Laundering training programme is progressing well. So far, 160 participants have benefitted from training in techniques to identify money laundering and tackling tax evasion.

To date, 120 participants have been trained in using internet-search techniques to carry out investigations. A draft law on setting up a registry of bank accounts has been prepared by the Greek authorities, together with an implementation schedule and a technical report with details on the foreseen system.

An anti-corruption action plan has been agreed between the appropriate Greek agencies and prosecution bodies. Effective implementation now depends on the rapid finalisation of a national strategy against corruption, and the political appointment of a national coordinator who enjoys sufficient support and power to implement this national strategy.

(6) Business environment

Over the past quarter, TA to support reforms of the business environment has gathered momentum. A new TA project has been launched to streamline multiple and fragmented licensing and permit systems for investment, with the support of the World Bank. For the first time, the Greek authorities have set out ambitious targets to reform Greek public procurement legislation and administration. This helped work to start on the preparation of TA to support these important reforms.

Sustained TA has been provided to simplify export procedures and reform customs administration. Extensive work was carried out by a Greek project team, supported by the TFGR and United Nations Economic Commission for Europe (UNECE), on reviewing documentation and controls for two important agricultural exports (fresh fruit and white cheese). This was followed swiftly by legislation to implement improvements.

An important diagnostic review of customs offices and procedures is underway, spearheaded by the World Customs Organization. In the area of export promotion, the Netherlands has been a valued and committed project partner for the Greek authorities as they seek to enhance their capacity to support Greek companies in improving access to foreign markets. Finally, intensive screening of Greek business legislation is underway to identify legislative provisions that give rise to administrative burdens and barriers to market entry.

(7) Health reform

On 26 March 2013, Greece adopted an overarching reform road map ("Health in action") in the framework of the Health Reform Steering Committee (set up last September). In the last quarter, the Committee and sub-committee have begun to carry out their tasks. Their activities have been heavily supported by TA via a series of assessment missions, reports and draft action plans, notably on e-prescriptions, pricing and on the reimbursement of pharmaceuticals; hospital management and EOPYY (Greek National Health Service Organisation).

New areas for action being considered are public health, mental health and anti-corruption.

TFGR is also helping the Greek authorities to set up a financing scheme with the World Health Organisation (WHO) that could support these reforms and the related TA.

(8) Reform of the judicial system

In recent months, TFGR has continued to provide TA for activities in a number of projects that aim to increase the efficiency of the judicial system in Greece. This includes work to accelerate judicial proceedings through the review of the Code of Civil procedure. TA was also provided for e-Justice, and the collection of statistics in the field of Justice.

In March, a new national initiative to promote out-of-court settlements wherever possible was launched at a well-attended and strongly supported conference. This initiative encourages mediation in the area of civil matters and the introduction of mandatory extra-judicial administrative appeals.

(9) Asylum and migration

In January 2013, following discussions with other EU partners, Greece presented a revised "Greek Action Plan on Asylum and Migration Management" including concrete objectives, deliverables, timeframes as well as budget estimates. TFGR supported the preparation of this strategic document.

The European Asylum Support Office, TFGR and the European Commission's Directorate General for Home Affairs arranged resident expert support to the Ministry of Public Order and the Ministry of Labour with respect to programming and reporting. The experts also identified bottlenecks in the management and implementation of "Solidarity and Management of Migration Flows" (SOLID) programmes and proposed procedural and systemic improvements.

The TFGR continued support for the recruitment of staff for the First Reception Service, Asylum Service and Appeals authority, with the aim of having the new services start operating within the foreseen timeframe in the Action Plan.

(10) Labour market and social security

The Action Plan to strengthen Youth Employment and Entrepreneurship was launched in January this year by the Ministers of Labour, Education and Development. It aims to help 350,000 job-seekers, supported by a budget of €608 million (mobilised through the reprogramming of European Social Fund operational programmes). Experts from France, Portugal, Austria and the United Kingdom contributed to the plan and can further assist with its implementation and monitoring.

The draft Greek Employment Action Plan will be examined during a seminar with experts from France and Austria. These discussions are expected to deliver concrete improvements to boost employment through apprenticeships and vocational training.

A Co-operation Agreement for the modernisation of the public employment service³, facilitated by the TFGR, was signed between OAED (Greek public employment service) and the Public Employment Services of three Member States. The Project Inception Report was agreed at a meeting of the Steering Committee in February. An Action Plan to strengthen the Labour Inspectorate (SEPE)⁴ was finalised at the end of February.

In the area of the social economy, experts from Sweden, Germany, France, Belgium and the United Kingdom, jointly with Greek experts, presented the Ministry of Labour with an Outline Strategy and Priorities for Action in January. These recommendations have been reflected in an Action Plan prepared by the Ministry. Discussions continue on how best to channel offers of assistance from social enterprises and networks in many Member States.

(11) Privatisation and land registry

The TFGR co-ordinates technical assistance across a wide range of sectors where privatisation is already underway or in preparation. The entire programme will have far-reaching and potentially significant benefits for the economy through increased competition as well as providing important opportunities for domestic and foreign investment.

To help complete the implementation of a national Land Registry by 2020, intensive TA is being provided by experts from four Member States (Austria, Germany, Netherlands and Spain) under the domain leadership of the Netherlands, with the initial work focusing on how to tender for the remaining parcels of land in the most effective and cost efficient way.

(12) Network Industries and Services

In March this year, Greece, Germany and the TFGR signed a Memorandum to set up a two-year programme to provide technical assistance for the deployment of renewable energy sources.

Further initiatives are being prepared in relation to logistics, aviation, ports, waste management, electronic communications and tourism.

See also [IP/13/377](#)

³ This reform was foreseen in the Human Resources operational programme

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