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Launching the recovery

A Recovery plan for Europe:

The Recovery and Resilience Facility

GREECE

Overview of the Greek RRP



4 pillars
18 components



175 measures
67 reforms and 108 investments














331 Milestones & Targets



€ 30.5 billion
€ 17.8 bn grants
€ 12.7 bn loans

Assessment summary

 <p>1. Balanced response</p> <p>A</p>	 <p>2. Addresses challenges identified in CSRs</p> <p>A</p>	 <p>3. Growth, resilience and social impact</p> <p>A</p>	 <p>4. Do no significant harm</p> <p>A</p>
 <p>5. Green transition</p> <p>A</p>	 <p>6. Digital transition</p> <p>A</p>	 <p>7. Lasting impact</p> <p>A</p>	 <p>8. Effective monitoring and implementation</p> <p>A</p>
 <p>9. Reasonable and plausible cost estimates</p> <p>B</p>	 <p>10. Robust control systems</p> <p>A</p>	 <p>11. Coherence</p> <p>A</p>	

Green transition

37.5% of total allocation for **climate** objectives

37.5%



Key reforms

- Simplification of licensing for renewables
- New framework for offshore wind
- Law on waste management
- Development of local urban plans for all municipalities

DNSH: *No measure in the plan harms environmental objectives*

Key investments

- Energy efficient renovations of residential and public buildings (€1.5bn)
- Improve green skills for at least 200,000 people (€373 mln)
- Sustainable mobility (€440 mln)
- Forest firefighting, flood mitigation, reforestation and biodiversity (€548 mln)

Networks

- Electricity interconnections with the Cyclades (€195 mln)
- Electricity storage (€450 mln)

Digital transition

23.3% of total allocation for **digital** objectives

23.3%

Key reforms

- Transition to 5G technology
- Interconnection and interoperability of registries
- Data governance strategy

Key investments

- Digital transformation of public sector (€1.3 bn)
- Digitalisation of businesses (€375 mln)
- Development of 5G networks (€160 mn)
- Improve digital skills for at least 355,000 people (€680 mln)

Sector-specific actions

- Public administration
- Health
- Education
- Tax authority

Cross-border projects

- '5G corridors' investment (Thessaloniki-Sofia-Belgrade)
- Submarine fiber cables' investment (EL-CY)

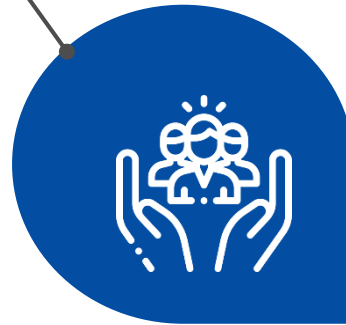
Social impact and equality screening



Resilience

Labour market

- Active Labour Market Policies for the unemployed
- Incentives to take up work
- Creation of new early childcare places



Increasing private investment

- Using RRF loans to facilitate access to finance for the private sector and closing the investment gap
- Supporting the green and digital transitions



Improving business environment

- Simplification of key administrative processes
- Doing business reforms
- Promotion of economies of scale and extroversion of enterprises



Health sector

- Governance and organisation reforms: unified model of care
- Measures to address shortage of family doctors



Resilience - Institutional

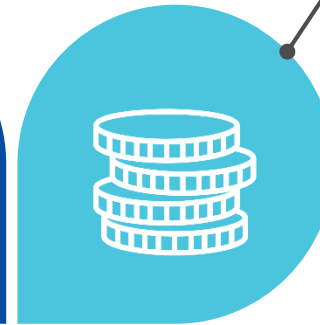
Education

- New framework for lifelong learning
- Upgrading of vocational training
- Enhancing research performance of universities



More resilient public finances

- Digital transformation of tax and customs administration
- Enhancing use of electronic transactions
- Improved public financial management



Public administration

- Improving policy planning and development
- Upgrading of skills of civil servants
- Strengthening the anti-corruption framework
- Strengthening public procurement

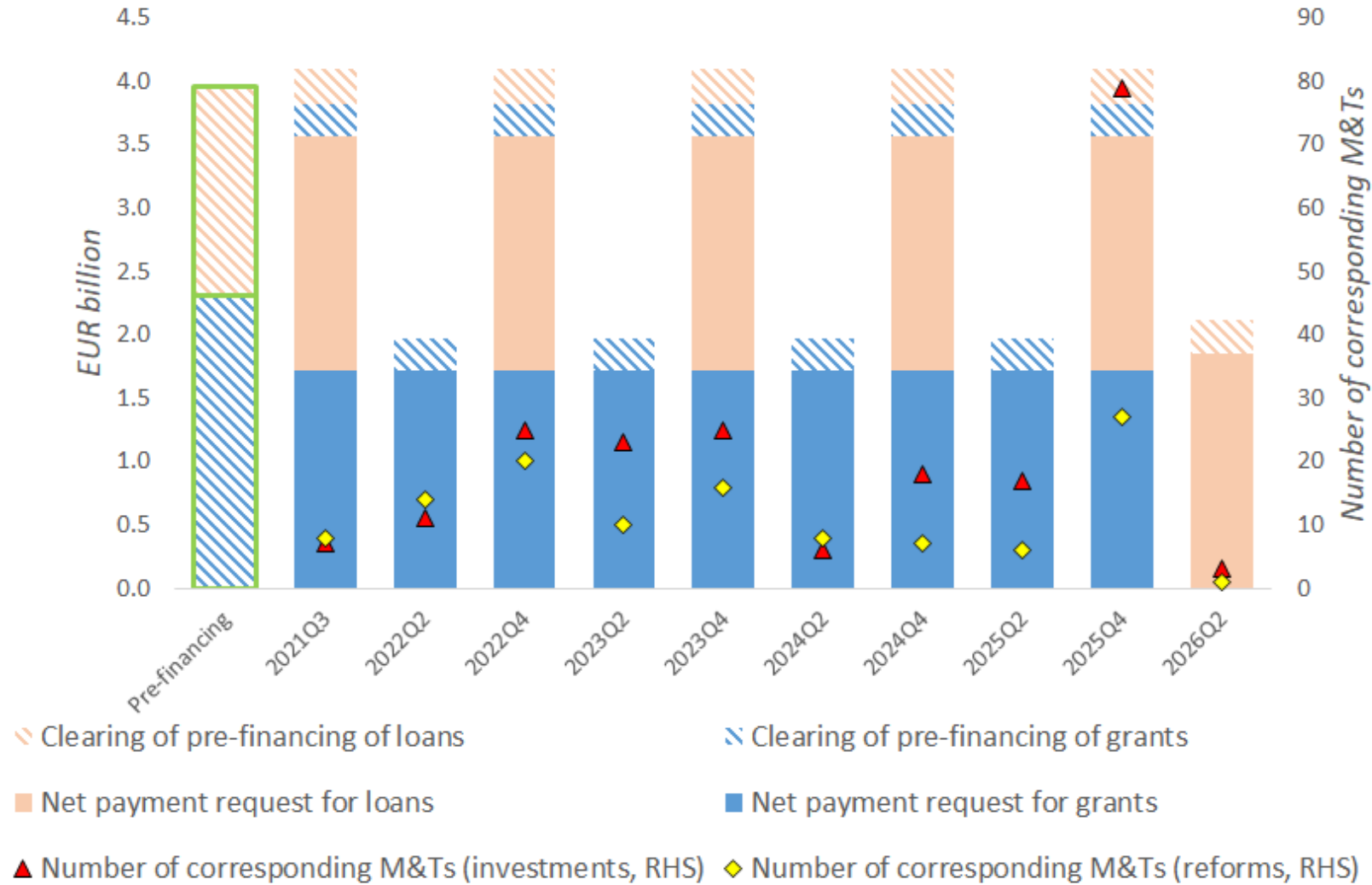


Justice sector

- Revision of judicial map
- Digitalisation and acceleration of procedures



Disbursement profile over time



Audit and control

Framework to protect against serious irregularities in the use of funds:

- Fraud
- Corruption
- Double funding



Audit and control systems:

- Sufficient and robust
- The **RRF Management Information System** sets out adequate arrangements for implementation monitoring and to avoid double EU funding.
- Greece has a **four-level** control and audit system for the RRP:
 - **The RRF Coordination Agency**
 - **Implementing bodies**
 - **Independent certified auditors**
 - **Financial Audit Committee (EDEL)**

RRP and enhanced surveillance

All commitments given to the Eurogroup will continue to be monitored under Enhanced Surveillance.



Different time horizon:
Eurogroup commitments up to mid-2022 – RRP will go on until end-2026

RRP includes reforms and investments on existing policies and brings them to a new level :

- ✓ Justice digitalisation,
- ✓ disability benefits,
- ✓ investment licensing / inspection legislation

Some policies only monitored under Enhanced Surveillance :



- ✓ Banking sector (governance etc.);
- ✓ Privatisation and HCAP;
- ✓ Arrears clearance

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Thank you

Background

Loan facility

RRF's loan support (€12.7 billion) allocated to incentivise private investment in strategic areas



Contributes to reducing Greece's investment gap by facilitating access to finance and reducing cost of funding



Loan Facility includes the following **distribution channels**:

- ✓ International financial institutions and commercial banks, through corporate bond purchases or syndicated loans (RRF loans expected to cover a maximum of 50% of investment costs)
- ✓ An equity platform to support SMEs
- ✓ InvestEU national compartment

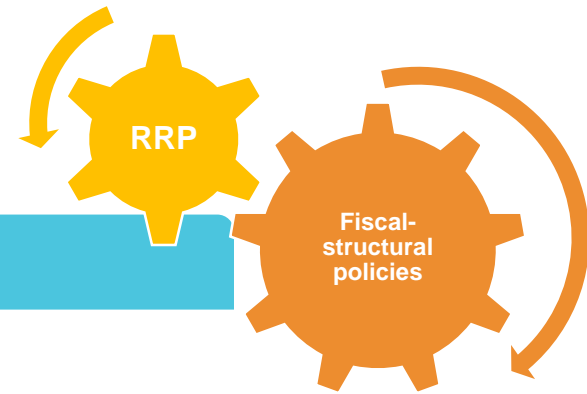


Arrangements in place to ensure **DNSH compliance**, and commitment to contribute **at least 37% to climate objective and 20% to digital objective**



Loan Facility accompanied by **business environment reforms**

The RRP and fiscal sustainability



Growth impact supporting sustainability

- Persistent impact on GDP level is beneficial to **repayment capacity**
- Potential long-term growth impact of structural reforms may **improve debt sustainability** further

More efficient public revenue collection

- **Simpler and more transparent taxation:** codification and simplification of the tax legislation
- **Reducing tax evasion:** incentives for electronic transactions, connection of online cash registers and POS terminals
- **Faster tax administration:** digital transformation of tax and customs administration revenue collection

Better public financial management

- Process optimisation, introduction of a **resource planning system**
- **System interoperability** across the general government
- Improved **public procurement framework**

Loan facility safeguards

- The loan element of the RRF will appear as **general government debt** at the moment of the disbursement
- It is **not expected to have major negative impact** on debt sustainability in the long run as reflows will be safeguarded to serve the RRF loan repayment
- The participation of international financial institutions, commercial banks and private investors **is expected to deliver sound lending decisions and to limit potential losses**