

28 February 2022

Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the first payment request of 29 December 2021 submitted by Greece transmitted to the Economic and Financial Committee by the European Commission

Executive summary

In accordance with Article 24(2) of Regulation (EU) 2021/241, on 29 December 2021, Greece submitted a request for payment for the first instalment of non-repayable support and the first instalment of the loan support. The payment request was accompanied by the required management declaration and summary of audits.

To support its payment request, Greece provided due justification of the satisfactory fulfilment of the 13 milestones of the first instalment of the non-repayable support and the 2 milestones of the first instalment of the loan support, as set out in Section 2(1)(1.1) and Section 2(2)(2.1) of the Council Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Greece¹.

Upon receipt of the payment request, the Commission has assessed on a preliminary basis the satisfactory fulfilment of the relevant milestones. Based on the information provided by Greece, the Commission has made a positive preliminary assessment of the satisfactory fulfilment of all 15 milestones.

The milestones assessed as part of this payment request demonstrate significant steps in the implementation of Greece's Recovery and Resilience Plan. This includes, among others: the adoption of the action plan on energy poverty; the entry into force of the legal framework for charging points for electric vehicles; the entry into force of the waste management law; the entry into force of the Labour Law; the entry into force of the legislation regarding the organisational reform of the Hellenic Manpower Employment Organisation (OAED) the roadmap for the railways reform; the establishment of the framework of the loan facility along with the call for proposals for commercial banks and an agreement signed with one International Financial Institution; and the establishment of the Audit and Control System.

The milestones also confirm progress towards the completion of investment projects related to the launch of the first round of the residential renovation project; the publication of tenders for the construction of 13 regional civil protection centres (one for each region); and the revision of the judicial map and renovation of judicial buildings.

By the transmission of this preliminary assessment and in accordance with Article 24(4) of Regulation (EU) 2021/241, the Commission asks for the opinion of the Economic and Financial Committee on the satisfactory fulfilment of the relevant milestones.

¹ ST 10152 2021 INIT, ST 10152 2021 ADD

Contents

Related Measure: Energy renovation on residential buildings (Measure ID: 16872).....	3
Related Measure: Energy poverty action plan (Measure ID: 16920).....	5
Related Measure: Framework for installation and operation of EV charging infrastructure (Measure ID: 16281)	7
Related Measure: Waste management law for the implementation of sustainable landfilling and recycling (Measure ID: 16772).....	9
Related Measure: Implementation of Regional Civil Protection Centres (PEKEPP) through Public Private Partnership schemes (Measure ID: 16283)	11
Related Measure: Modernisation and Simplification of Labour Law (Measure ID: 16744)	12
Related Measure: Restructuring and rebranding of the local branches (KPA2) of Greece’s Public Employment Service (OAED) (Measure ID: 16941)	15
Related Measure: Reforms and acceleration of investments in the Healthcare Sector - Clawback reduction and rationalisation of healthcare expenditure (Measure ID: 16816)	17
Related Measure: Codification and simplification of tax legislation (Measure ID: 16643)	19
Related Measure: Incentivisation regime for productivity and extroversion of enterprises (increasing the size of enterprises) (Measure ID: 16598)	20
Related Measure: New Judicial buildings and renovations (Measure ID: 16292)	21
Related Measure: Organisational reform in the railways sector (Measure ID: 16982)	22
Related Measure: RRP Loan Facility (Measure ID 16980).....	24
Related Measure: RRP Loan Facility (Measure ID 16980).....	28
Related Measure: Technical Assistance (ID: 16968)	31

Assessment per milestone

Number: 20	Related Measure: Energy renovation on residential buildings (Measure ID: 16872)	
Name of the Milestone: Residential renovation – 1st round launch		
Qualitative Indicator: Entry into force of a Joint Ministerial Decision	Time: Q4 2020	
<p>Evidence Provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> i. a summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, including how the reduction of primary energy consumption will be achieved; and ii. a copy of the publication in the Official Journal of the adopted Joint Ministerial Decision (5229/112232/1033) of the Minister of Development and Investments and the Minister of Environment and Energy (Official Journal B 5229/26.11.2020), which includes a Guidance Manual as an annex. The Joint Ministerial Decision sets out that this secondary legislation comes into effect with the publication of this Joint Ministerial Decision in the Official Journal. 		
<p>Objectives of the measure:</p> <p>The investment aims at improving the energy efficiency of residential buildings resulting in significant primary energy savings. The investment also includes earmarked funds targeting energy poor residences to improve their energy efficiency. The renovations are also expected to improve the digitalisation of final energy consumption through energy management systems (e.g. smart homes) and promote the deployment of e-mobility infrastructure, such as supporting the installation of charging stations for electric vehicles in residencies. The CID stipulates specific requirements for re-use, recycling and other material recovery of the non-hazardous construction and demolition waste generated on the construction site.</p> <p>Analysis:</p> <p>As provided in the CID, the milestone consists of launching the programme for the first round of renovations through a Joint Ministerial Decision. This Decision was expected to outline a selection process ensuring that primary energy consumption of residences is reduced by at least 30%. In addition, the Joint Ministerial Decision would set out: (i) an implementation mechanism; (ii) a selection process to achieve the set primary energy saving target; (iii) a certification mechanism to validate actual primary energy savings achieved; and (iv) a timeline.</p> <p>The Joint Ministerial Decision (5229/112232/1033) entered into force on 26 November 2020. It includes a detailed Guidance Manual in Annex (183 pages), which provides information on all elements referred to in the milestone for launching the first round of residential renovations.</p> <p>In particular:</p> <ul style="list-style-type: none"> i. Sections 5 and 9 of the Guidance Manual set out the <i>implementation mechanism</i>, which entails the specifications of the application process and the supporting 		

documents each applicant needs to submit; and the definition of entities responsible for evaluating the applications and overseeing the overall management of this round of renovations.

- ii. Sections 3 and 4 set out the *selection process*, including the primary energy saving target each renovation is required to achieve.
- iii. Sections 5.3, 7.4 and 9 set out the *certification mechanism*, which entails the energy performance certificates that each approved application will need to submit and that will demonstrate the primary energy savings achieved by each renovation. The details of possible corrective actions to ensure that primary energy saving target is met, are set out in Section 7.5.
- iv. Section 7.4 sets out the timeline to be followed.
- v. Sections 2, 5.1 and 5.2 set out the eligibility criteria and information to be provided by each applicant.

The summary document provides a detailed justification on the achievement of this milestone. As set out in the Guidance Manual (Section 3.1) each renovation is expected to result in an upgrade of, at least, three energy performance classes. Thereafter, the Guidance Manual (Section 3.2) sets out the eligible interventions per category (e.g. frames/ventilation, insulation and heating/cooling systems). The summary document, taking into account the required upgrading of three energy performance classes and the various interventions that are eligible, presents a table the expected primary energy savings to be achieved. Assuming that the least efficient interventions in terms of primary energy savings are chosen (i.e. worst-case scenario) the primary energy savings are estimated as follows:

- i. Energy category H to Δ: primary energy savings equal 33%.
- ii. Energy category Z to Γ: primary energy savings equal 38%.
- iii. Energy category: E to B: primary energy savings equal 45%; and
- iv. Energy category: Δ to B+: primary energy savings equal 47%.

This means that the expected primary energy savings range from 33% to 47% (i.e. exceeding the 30% target as set out in the milestone).

The summary document further provides details on the expected primary energy savings of renovations already approved as of the entry into force of the Joint Ministerial Decision. For those, the expected reduction of the primary energy consumption is estimated to average to 74.7%. It also provides details on the already completed renovations (2 171 renovations as of 2 November 2021) since the launch of this round (i.e. 2 March 2021) with information on the actual reduction of the primary energy consumption according to the energy performance certificates reaching, on average, 74.6%. With this information the Greek authorities prove that the selection process ensures that the primary energy consumption of residences is reduced by at least 30% compared to the residence's initial performance.

Regarding the waste management requirements set out in the CID, the summary document specifies that the Guidance Manual (Official Journal B 5229/26.11.2020) for this call for applications imposes that each approved renovation needs to comply with a Joint Ministerial Decision (Official Journal B 1312/24.08.2010), which stipulates that 70% of waste shall be prepared for re-use, recycling and other material recovery. In particular:

- i. in case the work has been assigned to a contractor, the contractor signs a declaration, confirming that the waste has been managed in accordance with the national legal framework for the re-use, recycling and other material recovery of the non-hazardous construction and demolition waste generated on the construction site; or
- ii. in case work has not been assigned to a contractor, the beneficiary and the energy auditor sign a declaration, confirming that the waste handling has been carried out according to the said national legal framework or that no waste has been produced during the renovation works.

Further, the Joint Ministerial Decision (Official Journal B 1312/24.08.2010) and a recently adopted integrated waste management law (Law 4819/2021, OJ A 129/23.07.2021) contain provisions that have taken into account the waste hierarchy and the EU Construction and Demolition Waste Management Protocol for the treatment of non-hazardous construction and demolition waste.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 32	Related Measure: Energy poverty action plan (Measure ID: 16920)
Name of the Milestone: Energy poverty - adoption of action plan	
Qualitative Indicator: Entry into force of a Ministerial Decision by the Ministry of Environment and Energy.	Time: Q3 2021
<p>Evidence Provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> i. a summary document duly justifying how the milestone, including all its constitutive elements was satisfactorily fulfilled. ii. a copy of the publication in the Official Journal of the Ministerial Decision (89335/5599) of the Minister of Environment and Energy adopting the energy poverty action plan (Official Journal B 4447/28.09.2021). The Ministerial Decision includes the full action plan in annex. <p>The authorities also provided:</p> <ul style="list-style-type: none"> i. a letter signed by the Minister for Environment and Energy with a complementary timeline setting out specific actions to be implemented until 2023. ii. confirmation sent by the Secretary General for Government Coordination that the complementary timeline will be fully integrated into the revised energy poverty action plan that is planned to be adopted by end-March 2022. <p>The adopted action plan and the complementary timeline are publicly accessible through the Ministry of Environment and Energy's website (see https://ypen.gov.gr/energeia/dimosievmeno-schedio-drasis-gia-tin-katapolemisi-tis-energeiakis-endeias-sdee/ and https://ypen.gov.gr/energeia/sybliromatikos-pinakas-exeidikefsis-metron-sdee-kai-chronodiagramma/).</p>	
Objectives of the measure:	

The reform consists of the adoption of an action plan to address the challenge of energy poverty. The strategy will outline targeted policy measures to improve energy efficiency of residential buildings among economically vulnerable households.

Analysis:

As provided in the CID, a Ministerial Decision adopting the energy poverty action plan entered into force on 28 September 2021. The adopted energy poverty action plan was complemented by a more detailed timeline published subsequently, which delivers on the three categories of policy measures set out in the CID as follows:

- i. *Financing measures to protect energy poor households:* Components 1-3 of the action plan contain actions for the establishment of funding mechanisms in support of energy-vulnerable households and other social groups with specific electricity consumption patterns. Specific actions to be implemented until 2023 include: (a) increased subsidy for households that are eligible for the social tariff scheme (i.e. a subsidy provided to households eligible for the guaranteed minimum income scheme as well as households whose income are below certain thresholds); and (b) automatic transition of vulnerable household customers into the universal service regime (i.e. obligation by specific electricity providers to provide low voltage customers with a power supply).
- ii. *Short-term protection of energy poor households:* Components 4-7 of the action plan contain actions to improve the short-term protection of the energy poor households. Specific actions to be implemented until 2023, include (a) energy upgrading of residential buildings targeting energy poor households; (b) subsidy scheme for covering the additional cost of district heating; (c) promotion of the role of energy communities to contribute in combating energy poverty through sharing electricity with the energy poor households. Further, the action plan (Chapter 2) defines specific quantitative criteria and indicators for households to be considered as experiencing energy poverty. Details on the specific process foreseen to monitor and evaluate the evolution of energy poverty are set out in Chapter 4.
- iii. *Awareness and information:* Components 8 and 9 of the action plan contain actions to promote awareness on the use of energy and issues relating to energy poverty. Specific actions to be implemented until 2023 include (a) awareness-raising measures focusing on energy efficiency obligations (EEOs); (b) promotion of a price comparison tool of electricity and heating providers; and (c) carry out a feasibility study to establish a national observatory of energy poverty.

The energy poverty action plan refers to and establishes links with the National Energy and Climate Plan, which identifies addressing energy poverty as one of the key challenges. The monitoring of the implementation of the energy poverty action plan will be done through mandatory progress reports submitted to the European Commission under Regulation (EU) 2018/1999 on the governance of the energy union and climate action that identifies energy poverty as one key area (Article 24), as well as in the updates of the National Energy Climate Plan (draft to be submitted by 30 June 2023 and final version by 30 June 2024), in accordance with the relevant EU legislation.

Finally, a complementary timeline was subsequently prepared that sets out specific actions to be implemented until 2023. Both the action plan and the complementary timeline are published on the Ministry of Environment and Energy's website (<https://ypen.gov.gr/energeia/dimosievmeno-schedio-drasis-gia-tin-katapolemisi-tis->

energeiakis-endeias-sdee/ and <https://ypen.gov.gr/energeia/sybliromatikos-pinakas-exeidikefsis-metron-sdee-kai-chronodiagramma/>).

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 42	Related Measure: Framework for installation and operation of EV charging infrastructure (Measure ID: 16281)	
Name of the Milestone: Charging points for electric vehicles – Entry into force of legal framework		
Qualitative Indicator: Entry into force of Ministerial Decisions adopted.		Time: Q3 2021
<p>Evidence Provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. a summary document accompanied by a document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled and setting out (a) an overview of how the electric vehicles market in Greece is currently operating; and (b) a table setting out an overview of the adopted and pending secondary legislation, including information justifying that the secondary legislation required by the milestone has entered into force; ii. a copy of the publication in the Official Journal of the Law 4710/2020 (Official Journal A 142/23.07.2020) adopted in 2020 that sets out the expected secondary legislation acts to be adopted; and iii. copies of the publications in the Official Journal of the secondary legislative acts adopted by end-2021 (nine in total). 		
<p>Objectives of the measure:</p> <p>The reform aims to establish by end-2022 a comprehensive regulatory framework for the installation and operation of charging points for electric vehicles. This is expected to put Greece towards a path to meet the National Energy and Climate Plan target of a 30% share of electric vehicles in the domestic market by 2030.</p> <p>Analysis:</p> <p>As provided in the CID, the primary legislation adopted on 20 July 2020 has entered into force, with the exception of a provision that will come into force on 1 January 2023 (Article 22 and paragraph 4 of Law 4710/2020 relating to the obligation of existing non-residential buildings with at least 20 parking spaces to install an electric vehicles charging point) that is outside the scope of the milestone; and a provision linked to the adoption of a secondary legislation (Article 13 of Law 471/2020 providing for the National Registry) to promote electric vehicles, which will come into effect one month after the launch of the National Registry (see point vii below). The primary legislation lists 14 secondary legislative acts which are relevant for organising the electric vehicles' market. Out of these, nine secondary legislative acts have been adopted and entered into force. Further, the primary legislation lists four secondary legislative acts that are not relevant for the operation of electric vehicles' market. The primary legislation together with the secondary legislative</p>		

acts, which are in effect, adequately ensure the organisation of the electric vehicles' market, with a focus on the charging services market and provision of tax based incentives for the purchasing of electric vehicles and the installation of charging infrastructure for electric vehicles. In particular:

- i. Joint Ministerial Decision (90483/322, Official Journal B 4505/30.09.2021) by the Minister of Finance and Minister of Environment and Energy that entered into force on 30 September 2021 adopted a mechanism for providing tax based incentives to businesses for the development of electric vehicles charging infrastructure (based on *de minimis* framework). It allows the beneficiaries of this scheme to deduct 50% of the cost from their gross taxable income (note: for islands the deduction is set at 70%).
- ii. Joint Ministerial Decision (90485/323, Official Journal B 4504/30.09.2021) by the Minister of Finance, Minister of Environment and Energy and the Governor of the Independent Authority for Public Revenues that entered into force on 30 September 2021 adopted a mechanism for providing tax based incentives to businesses for the purchase of electric vehicles (based on the *de minimis* framework). It allows for beneficiaries in island municipalities a discount of up to 75% on corporate income of depreciation expenses relating to purchases of zero-emission or low pollution (max. 50gr CO₂/km) corporate passenger cars.
- iii. A Joint Ministerial Decision (77472/520, Official Journal B 3323/07.08.2020) by the Minister of Finance, Minister of Environment and Energy and Minister of Infrastructure and Transport that entered into force on 7 August 2020 and a Joint Ministerial Decision (78654/257, Official Journal B 3961/30.08.2020) by the Minister of Finance, Minister of Environment and Energy and Minister of Infrastructure and Transport that entered into force on 30 August 2020 adopted a subsidy schemes (grants) for the purchase of electric vehicles and private charging infrastructure by individuals and businesses, including scrapping of old conventional vehicles. The first Joint Ministerial Decision introduces a subsidy for the purchase or lease of purely electrical or external charging hybrid electric vehicles (CO₂ emission limit of 50g/km) and defines the specific terms and procedure. The second Joint Ministerial Decision is part of a comprehensive project that aims to make Astypalea a completely energy autonomous island through introducing a subsidy for the purchase/lease of purely electric vehicles.
- iv. Joint Ministerial Decision (125310, Official Journal B 5570/17.12.2020) by the Minister of Interior, Minister of Infrastructure and Transport and Minister of State that entered into force on 17 December 2020 adopted a mechanism for allowing free parking of electric vehicles in public parking spots managed by municipalities.
- v. Ministerial Decision (93764/396, Official Journal B 4380/05.10.2020) by the Minister of Environment and Energy and Deputy Minister of Environment and Energy that entered into force on 10 October 2020 adopted technical specifications, requirements and process for the creation of electric vehicles charging plans by local authorities' across the country.
- vi. Joint Ministerial Decision (194135, Official Journal B 3407/28.07.2021) by the Minister of Development and Investments, Minister of Environment and Energy and Minister of Infrastructure and Transport that entered into force on 28 January 2022 adopted specifications and requirements for vehicle repair shops to serve

electric vehicles.

- vii. A Joint Ministerial Decision (355076, Official Journal B 5777/10.12.2021) by the Minister of Finance, Minister of Infrastructure and Transport and the State Minister and a Joint Ministerial Decision (355033, Official Journal B 5776/10.12.2021) by the Minister of Environment and Energy and the Minister of Infrastructure and Transport that both entered into force on 10 December 2021 adopted the establishment of a National Registry for electric vehicles charging market operators. The National Registry will provide for an up-to-date and accessible database of all the publicly accessible charging points across Greece, which is expected to be a useful tool also for the market operators planning to further extend their network of charging points. The first act sets out the requirements and mechanism regarding the fee that the market operators will need to pay for being included in the National Registry. The second act sets the requirements and mechanism regarding the registration process of the market operators in the National Registry and the type of data they need to provide to the Registry.

It is noted that Law 4710/2020 lists in total 18 secondary legislative acts, including the nine adopted acts as set out above. Out of the remaining nine secondary legislative acts, four do not concern organising the electric vehicles' market while the other five secondary legislation acts that are yet to be adopted are not considered to have a direct impact on the requirements of the milestone as they concern (i) elaborating on penalties to market players (note: Law 4710/2020 contains provisions currently in effect that allows for penalties to be imposed if necessary); (ii) adopt initiatives for the further promotion of electric vehicles' charging infrastructure based on findings from an annual review exercise; (iii) sets out requirements for installing charging points in areas characterised as traditional settlements; (iv) sets out requirements for training of electric vehicles' technicians; and (v) prepare a national e-mobility strategy. Whilst such measures will be useful over the long-term, none of them are considered necessary for the functioning of the organisation of the electric vehicles' market, where, in practice, the legislative framework put in place has had a substantial positive impact already. The number of publicly accessible charging points has tripled in Greece during 2021 (from 334 in 2020 to 1 040 in 2021). These charging points include rapid chargers (> 50 kW) and their geographical coverage extends via multiple locations across Greece's TEN-T road network.

The legislative framework that has been put in place through the primary legislation and the nine secondary legislative acts listed above provides for a comprehensive set of tools to promote the use of electric vehicles in Greece, in line with the requirements of the milestone, including (a) financial incentives for the purchase of electric vehicles and installation of charging points; and (b) development of local plans and information tools to facilitate the organisation and further expansion of the electric vehicles' market.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 56	Related Measure: Waste management law for the implementation of sustainable landfilling and recycling (Measure ID: 16772)
Name of the Milestone: Entry into force of waste management law	

Qualitative Indicator: Entry into force of legislation.	Time: Q3 2021
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. ii. Law 4819/2021 for the implementation of sustainable landfilling and recycling (Official Journal A 129/23.07.2021). iii. Joint Ministerial Decision on the Cleaning Regulation (Official Journal B 5888/15.12.2021). iv. Note of Ministry of Environment and Energy on Pricing policy. v. Circular of the Minister of Environment and Energy on "Implementation of art. 38 of Law 4819/2021 (Official Journal A 129/23.07.2021) on Landfill Tax". 	
<p>Objectives of the measure:</p> <p>The reform comprises a revision of the existing waste management legislation with a view to enabling the transition towards a circular economy. It aims at introducing incentives for municipalities to achieve higher recycling rates, enforcing separate collection of bio-waste and of metal, paper, glass and plastic, extending the 'Producer's responsibility' scheme (a system by which waste producers are charged based on the actual amount of waste generated by them), upgrading the operation of recycling sorting facilities and simplifying the legislation around Green points. The reform further supports the achievement of targets of increasing reuse and recycling rates of municipal solid waste to 60% and reducing the landfill rate to 10% by 2030.</p> <p>Analysis:</p> <p>As provided in the CID, the milestone requires the entry into force of the law for recycling and landfilling as well as the introduction of incentives for municipalities to achieve high rates of reuse and recycling, and the implementation of a landfill tax. The milestone requires that the landfilling tax shall be applied as of the first quarter of 2022 and the tariffs shall progressively increase until they reach the upper threshold of the landfilling tax by the third quarter of 2024.</p> <p>Law 4819/2021, reflecting the above elements, was adopted on 23 July 2021 and published on the Official Journal on 23 July 2021. The law entered into force with the publication in the Official Journal.</p> <p>The legislation refers to a number of pieces of secondary legislation, which the Commission has identified as critical to consider that the law has effectively entered into force, and hence the milestone has been satisfactorily fulfilled. These are: a) the modalities of the implementation of the landfill tax; b) the costing methodology and pricing policy of the local waste management companies; and c) the definition of the structure and minimum content of the cleaning regulations.</p> <p>The introduction of the landfill tax is explicitly required in the milestone. The costing methodology and pricing policy is necessary to enable the regional waste management utilities (FODSA) to set-up their costing and invoicing system, have data on real quantities and achieve full cost recovery. The definition of the structure and minimum content of the</p>	

cleaning regulation is necessary to be able to draw up a cleaning regulation in every municipality, including sorting at source, and in particular the ‘pay-as-you-throw’ principle, by which the fees that households and businesses pay is proportional to the quantity and type of waste that they are producing.

The authorities have duly justified that these three critical provisions of the legal framework are being effectively implemented through issuing the necessary secondary legislation and giving explanations and guidance to the local authorities:

- i. The landfill tax envisaged in Article 38 of Law 4819/2021 is being implemented as of 1 January 2022, as specified in the circular of the Minister of Environment and Energy YPEN/DDA/122057/2478 of 20 December 2021 addressed to all regional waste management utilities. That Law also outlines that the tariffs shall progressively increase until they reach the upper threshold of the landfilling tax by the third quarter of 2024.
- ii. The costing methodology/pricing policy of the local waste management companies envisaged in Article 72 of Law 4819/2021 are based on the Joint Ministerial Decision 31606/930 of 15 April 2019, which is already in force since 15 April 2019.
- iii. The structure and minimum content of the Cleaning Regulation as envisaged in Article 65 of Law 4819/2021 is given in the Joint Ministerial Decision on the Cleaning Regulation (Official Journal 5888/15.12.2021) mentioned above.

Therefore, it is considered that the provisions of primary and secondary legislation; necessary to fulfil the milestone, have effectively entered into force.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 77	Related Measure: Implementation of Regional Civil Protection Centres (PEKEPP) through Public Private Partnership schemes (Measure ID: 16283)	
Name of the Milestone: Tender for 13 Regional Centres		
Qualitative Indicator: Publication of tender notice		Time: Q3 2021
Evidence provided:		
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:		
<ol style="list-style-type: none"> i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. ii) References of publication of contract notices (two contract notices, one for seven centres and one for six centres). 		
Objectives of the measure:		
The investment consists of the construction of 13 Regional Centres for Civil Protection through public-private partnerships. The objective of the investment is to ensure timely and effective management of risks and crises at regional level. The investment aims to cover all 13 regions of Greece with a view to ensuring a timely response to natural disasters, which has been difficult to achieve in some areas so far.		

Analysis:

As provided in the CID, the milestone requires the publication of the tender notice for the construction of 13 new regional civil protection centres, through public-private partnerships, which was done on 8 January 2021. Their main function will be to respond to natural disasters, but they will also permanently house the administrative structures of the Civil Protection (a ministry responsible for crisis management).

The Greek authorities have provided the proof of the publication of the tender (two lots, one for seven centres and the other for six centres). Regarding the requirements on Primary Energy Demand (energy efficiency) and Do No Significant Harm, these will be incorporated in the technical specifications that will be drafted during the competitive dialogue with the preselected bidders. These technical specifications constitute a monitoring step indicated in Annex II of the Operational Arrangements for the first quarter of 2022 (no 80.1).

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 133	Related Measure: Modernisation and Simplification of Labour Law (Measure ID: 16744)	
Name of the Milestone: Entry into force of Labour Law		
Qualitative Indicator: Provision in the law indicating the entry into force		Time: Q3 2021
Evidence provided:		
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:		
<ul style="list-style-type: none"> i. A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. ii. Primary legislation (Law 4808/2021, Official Journal A 101/19.06.2021 on ‘Labour protection, setting up of an Independent Labour Inspection Authority, Ratifying Convention No 190 of International Labour Organisation, eradicating violence and harassment at work, and transposing Directive (EU) 2019/1158 on private and professional life balance’. iii. Elements testifying implementation of Article 79(4) of Law 4808/2021: <ul style="list-style-type: none"> a. Call for proposals dated 14 October 2020 for the project of the Ministry of Labour and Social Affairs named ‘ERGANI2 – Reform and Modernisation in the Labour Market (Upgrading and Development of ERGANI Information System)’ with Online Registry Number (ADAM) in Central Electronic Public Contract Register: 20PROC007549431_2020_10-27 (pages 54-59); b. Signed contract for the above project with Online Registry Number in Central Electronic Public Contract Register: (ADAM) 21SYMV0086990152021-06-01 (article 2, page 3); and c. Written confirmation dated 23 November 2021 of the awarded contractor 		

of the above project (contracted on 1 June 2021) affirming that the upgraded Information System (ERGANI2) will allow conversion of the remuneration, wages or salaries into pay per hour worked.

- iv. Ministerial Decision (62599/2021 of the Minister of Labour and Social Affairs, Official Journal B 4279/16.09.2021) adopted on the basis of Article 79(5)(a) of Law 4808/2021.
- v. Ministerial Decision (100658/2021 of the Minister of Labour and Social Affairs, Official Journal B 5706/09.12.2021) adopted on the basis of Article 79(5)(b) of Law 4808/2021.
- vi. Ministerial Decision (90972/2021 of the Minister of Labour and Social Affairs, Official Journal B 5393/19-11-2021) adopted on the basis of Articles 79(5)(e), 79(5)(f) and 79(5)(g) of Law 4808/2021.

The authorities also provided a Call for tenders (published on 4 November 2021 at the Central Electronic Public Contract Register with number 21PROC009481629) confirming the launching of the implementation of the digital work card for the recording of working time of private sector workers and employees, provided for in Article 74 of Law 4808/2021the

Objectives of the measure:

The reform aims at streamlining the key aspects of the labour market with a view to improving its functioning. The reform's overarching objectives are increasing job creation and competitiveness, fighting undeclared and under-declared work, improving work-life balance and bridging the gender employment gap.

Analysis:

As provided in the CID, the milestone entails the entry into force of the Labour Law which shall modernise a) the law for individual labour, b) the law for collective labour and the trade union law, c) the ERGANI IT system of the Ministry of Labour that is used for monitoring the labour market and for detecting undeclared and under-declared work, and d) the framework on work-life balance.

Greece has provided a copy of the publication in the Official Journal (A 101/19.06.2021) of the relevant primary legislation, i.e. the Labour Law 4808/2021 titled '*Labour protection, setting up of an Independent Labour Inspection Authority, Ratifying Convention No 190 of International Labour Organisation, eradicating violence and harassment at work, and transposing Directive (EU) 2019/1158 on private and professional life balance*'. According to Article 165 of that Law, it entered into force on the day of its publication (19 June 2021). In addition, Articles 79(4), 79(5)(a), 79(5)(b), 79(5)(e), 79(5)(f) and 79(5)(g) of that Law provide for the adoption of secondary legislation or other implementing acts that pertain to the modernisation of the ERGANI IT system of the Ministry of Labour, which are deemed critical to fulfil the milestone. It is noted that achievement of the remaining objectives mentioned in the milestone (points a, b and d mentioned in the previous paragraph) did not require adoption of secondary legislation or other implementing acts. The entry into force of the elements stipulated by the said six articles is ensured through the following secondary legislation or other implementing acts:

- i. The definition of the employment data that should be registered in the ERGANI2 IT system envisaged by Article 79(5)(a) of Law 4808/2021 is established in Ministerial Decision 62599/2021 of the Minister of Labour and Social Affairs (Official Journal B

4279/16.09.2021) that entered into force on 16 September 2021.

- ii. The definition of enterprises that should register employment data in the ERGANI2 IT system envisaged by Article 79(5)(b) of Law 4808/2021 is established in Ministerial Decision 100658/2021 of the Minister of Labour and Social Affairs (Official Journal B 5706/09.12.2021) that entered into force on 9 December 2021.
- iii. The definition of the procedure to be followed by employers in case of overdue registration of employment data in the ERGANI2 IT system envisaged by Article 79(5)(e) of Law 4808/2021 is established in Ministerial Decision 90972/2021 of the Minister of Labour and Social Affairs (Official Journal B 5393/19.11.2021) that entered into force on 19 November 2021.
- iv. The definition of the elements needed for determining whether an employee holds a supervisory, managerial or confidential position, based on Article 2(a) of the International Convention of the Washington International Conference and envisaged by Article 79(5)(f) of Law 4808/2021, is established in Ministerial Decision 90972/2021 of the Minister of Labour and Social Affairs (Official Journal B 5393/19.11.2021) that entered into force on 19 November 2021.
- v. The definition of the notification procedure as regards working time changes envisaged by Article 79(5)(g) of Law 4808/2021 is established in Ministerial Decision 90972 of the Minister of Labour and Social Affairs (Official Journal B 5393/19.11.2021) that entered into force on 19 November 2021.
- vi. Conversion in the ERGANI2 IT system of the remuneration, wages or salaries into pay per hour worked envisaged in Article 79(4) of Law 4808/2021 is implemented through a contract supplier, who has provided a written confirmation (point (iii) in the list of evidence provided) that the objectives of the primary legislation are delivered on through the contracted project. The adoption of the relevant secondary legislation is therefore no longer necessary.

In line with the milestone description, the law streamlines key aspects of the labour market with a view to improving its functioning. Notably, as required by the milestone, the adopted legislation modernises:

a) The *law for individual labour*, in particular by means of Articles 55-66 of Law 4808/2021, which set working and rest time limits and overtime compensation mechanisms, extend the permission to work on Sundays to certain sectors, strengthen protection against unlawful termination of employment, and abolish the distinction between white-collar and blue-collar employees regarding the calculation of severance pay.

b) The *law for collective labour and the trade union law*, in particular by means of Articles 82-101 of Law 4808/2021, which provide for the mandatory registration of all employees' and employers' unions in a dedicated electronic registry, and establish an electronic voting system for trade union members.

c) The *ERGANI IT system of the Ministry of Labour that is used for monitoring the labour market and for detecting undeclared and under-declared work*, in particular by means of Articles 73-81 of Law 4808/2021 and the secondary legislation referred therein, which introduce a real-time electronic system of the recording of working time to be connected to the ERGANI IT system (the digital work card), and allow for the simplification and interconnection of the latter with the social security (EFKA) and unemployment (OAED) IT systems.

d) The *framework on work-life balance*, in particular by means of Articles 24-54 of Law 4808/2021, which, among others, transpose Directive (EU) 2019/1158 on work-life balance for parents and caretakers and include provisions applicable to all employees of the private and public sectors. The introduced measures include the extension of paternity leave by 12 working days and flexible work arrangements such as teleworking or part-time work for parents of children aged up to 12 years or for caretakers subject to certain rules.

The elements noted above align the key aspects of the Greek Labour Law to current global trends that affect the labour market functioning, including digitalisation, the development of new forms of work such as digital platforms, and changes in family patterns and social life. They also tend to overall increase the flexibility of the labour market, while protecting employment. By doing so, they are expected to contribute to the overarching objectives of increasing job creation and competitiveness, fighting undeclared and under-declared work, improving work-life balance and bridging the gender employment gap.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 141	Related Measure: Restructuring and rebranding of the local branches (KPA2) of Greece's Public Employment Service (OAED) (Measure ID: 16941)	
Name of the Milestone: OAED Organisational reform, entry into force of legislation		
Qualitative Indicator: Entry into force of legislation		Time: Q3 2021
Evidence provided:		
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:		
<ul style="list-style-type: none"> i. A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. ii. Primary legislation on the organisational reform of OAED (Law 4837/2021, Official Journal A 178/01.10.2021). iii. Decision of the Governor of OAED (118477/08.11.2021 published at DIAYGEIA electronic system of the Greek government with Online Registry Number 67P54691Ω2-HEΓ) adopted on the basis of Article 60 of Law 4837/2021t. iv. Decision of the Governor of OAED (109189/04.11.21 published at DIAYGEIA electronic system of the Greek government with Online Registry Number ΨΠBP4691Ω2-27N) adopted on the basis of Article 62 of Law 4837/2021. v. Joint Ministerial Decision of the Minister of Labour and Social Affairs, and Interior 99654 (Official Journal B 5699/07.12.2021) adopted on the basis of Article 64 of Law 4837/2021. vi. Joint Ministerial Decision of the Minister of Labour and Social Affairs, and Interior 102364 (Official Journal B 5831/14.12.2021) adopted on the basis of Article 65 of Law 4837/2021. vii. Decision of the Governor of OAED 109195/25.10.2021 (DIAYGEIA electronic system of the Greek government with Online Registry Number 6ΓΖΣ4691Ω2-ΜΔΜ) 		

adopted on the basis of Article 66 of Law 4837/2021.

- viii. Law 4872/2021 (Official Journal A 247/10.12.2021) establishing a General Directorate of Financial Affairs within OAED and contributing to implementing Article 68 of Law 4837/2021.
- ix. Ministerial Decision of the Minister of Labour and Social Affairs 104272 (Official Journal B 5948/16.12.2021) establishing a new financial management framework of OAED and contributing to implementing Article 68 of Law 4837/2021.
- x. Presidential Decree 11/2022 (Official Journal A 25/15.02.2022) establishing a new organisational chart as required by Article 68 of Law 4837/2021.

Objective of the measure:

The investment aims to reform Greece's public employment service (OAED) by improving the quality of its services, and its overall capacity and effectiveness.

Analysis:

As provided in the CID, the milestone requires the entry into force of the organisational reform of the Hellenic Manpower Employment Organisation (OAED), restructuring, renovating and rebranding its local Public Employment Services, with a view to improving quality, capacity and effectiveness of offered services. In particular, the reform should update OAED's governance model and establish, for OAED, a new organisational chart and financial management system. The Operational Arrangements further require the entry into force of the primary legislation as well as of the secondary legislation that is critical for achieving the objectives described in the CID.

Greece has provided a copy of the publication in the Official Journal (A 178/1.10.2021) of the primary legislation on the organisational reform of OAED, namely Law 4837/2021. According to Article 79 of that Law, it entered into force on the day of its publication (1 October 2021), with the exception of certain provisions that required the adoption of secondary legislation or other implementing acts. These include Articles 60, 62, 64, 65, 66 and 68 of that Law, which pertain to OAED's governance, organisation and financial management system and which were deemed critical to achieve the objectives outlined in the CID. Greece has provided the required secondary legislation or other implementing acts for the entry into force of the above six articles, with the first of them entering into force in end-October 2021 and the last one in mid-February 2022.

As provided in the CID, the reform updates OAED's governance model and establishes a new organisational chart and financial management system. In particular:

- i. *Updating OAED's governance model* is ensured by Articles 60, 62, 64, 65, 66 of Law 4837/2021, and the implementing Decisions referred therein (points iii), iv), v), vi) and vii) above, which allow, respectively, for a) the appointment of employment advisors in local employment promotion centres (KPA2); b) the establishment of middle managers in all 118 KPA2 in charge of monitoring performance of the centres among others; c) the definition of the qualifications and the certification process that is required in order for OAED's employment advisors to provide group counselling services; d) the definition of the procedure and the criteria for the selection of Directors at OAED's Professional Training Units; e) the establishment within OAED of a new Medium and Large Companies Service Unit.
- ii. *Establishing a new organisational chart* is ensured by Article 68 Law 4837/2021 that requires the entry into force of a new organisational chart prior to the

adoption of a new financial management system. The details of the organisational chart are laid out in Presidential Decree 11/2022, Official Journal A 25/15.02.2022 (point x above).

- iii. *Establishing a new financial management system* is ensured by a) Article 68 Law 4837/2021 that requires the entry into force of a new financial management system; b) Law 4872/21 that establishes a General Directorate of Financial Affairs within OAED (point viii above); and c) Ministerial Decision 104272 (point ix above) that sets out a new Cash and Accounting Management Regulation for OAED, based on a proposal by its Board.

Overall, the organisational reform of OAED is expected to improve the quality, capacity and effectiveness of the offered services. In particular:

- i. *Quality of provided services* is expected to be improved through the appointment of middle managers in all 118 employment promotion centres, who will be in charge of monitoring performance of the centres and secure customer-service quality control; and the setting of the qualifications and the certification process required in order for OAED’s employment advisors to provide group counselling services.
- ii. *Capacity of provided services* is expected to be improved through both the organisational reforms, such as the establishment of a new governance model, organisational chart and financial management system, and a number of other specific steps, such as the above-mentioned appointment of employment advisors and middle managers in local employment promotion centres, the revision of the procedure for the selection of Directors at OAED’s Professional Training Units, and the establishment of a new Medium and Large Companies Service Unit.
- iii. *Effectiveness of services offered by the local Public Employment Services* is expected to be improved through all the above actions and contribute to achieving the main objective of the OAED, which is the promotion of employment.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 153	Related Measure: Reforms and acceleration of investments in the Healthcare Sector - Clawback reduction and rationalisation of healthcare expenditure (Measure ID: 16816)	
Name of the Milestone: Clawback – legislation entry into force		
Qualitative Indicator: Entry into force of the revised legislation introducing risk-sharing and the binding targets for minimum clawback reduction according to the timeline outlined in the Description.		Time: Q3 2021
Evidence Provided:		
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:		
<ul style="list-style-type: none"> i. Law 4837/2021, Official Journal A 178/1.10.2021. Article 77 sets out the relevant provisions and Article 79 defines entry into force from the date of publication, i.e. 		

1 October 2021.

- ii. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. This document provides an overview of the elements of the legislative framework (targets with timeline and risk-sharing mechanism). It further clarifies that no additional legislation is necessary for it to have effect and clarifies entry into force as of 1 October 2021.

Objective of the measure:

The reform of the clawback system aims at introducing risk-sharing in the calculation of the clawback for pharmaceuticals by setting binding targets of clawback reduction over the next years. Greece has a clawback system in force which sets binding ceilings for public spending on certain categories of health-care items, including pharmaceuticals, with the aim to contain supply-induced demand. Any public spending incurred above these legislated ceilings is recovered, i.e. 'clawed back', by the public payer, i.e. the single health insurance fund EOPYY, from providers after its accrual. This mechanism was put in place, on the one hand, to contain providers' incentive to induce demand and, on the other hand, to preserve access and contain public expenditure while structural measures to rationalise spending were being designed and implemented during the economic adjustment programmes. At the same time, this scheme, in which the public payer is not bearing any financial burden of the spending in excess of the ceilings, contributed to an increasing trend in spending above the legislated ceiling for pharmaceuticals, i.e. in an increasing generation of pharmaceuticals clawbacks.

Analysis:

As provided in the CID, the milestone required the entry into force of a legislative framework (primary law) introducing an element of risk-sharing in the calculation of the clawback for pharmaceuticals. This was achieved by means of setting agreed binding targets for clawback reduction and by means of developing a mechanism that ensures state contribution in case these targets are breached, therefore providing an incentive for the reductions to be achieved through measures that would structurally contain spending.

The adopted primary legislation is in line with the requirements of the milestone and the verification mechanism. In particular, Article 77 of Law 4837/2021:

- i. Sets minimum targets for clawback reduction as follows over the next 4 years: by EUR 50 000 000 (2022), EUR 150 000 000 (2023), EUR 300 000 000 (2024) and EUR 400 000 000 (2025), to be calculated compared to the 2020 levels.
- ii. It further imposes that, to the extent that this is not achieved, the difference between the targeted reduction and the actual reduction for each year shall not be paid by the pharmaceutical industry but, instead, borne by the state budget up to the targeted reduction in the clawback amounts.

This implements risk-sharing for the clawback scheme for pharmaceutical products through its potential impact on the state budget and corresponds to the mechanism that was specified in the CID to fulfil the milestone. No additional secondary legislation is needed for the entry into force of the risk-sharing mechanism.

The implementation phase will require secondary legislation (Joint Ministerial Decision of the Ministers of Finance and Health) to define and formalise the state budget contribution once the clawback, and hence the clawback reduction, is calculated, and possible gaps with respect to the targets are quantified. This will be monitored through subsequent CID targets 154-155 and 157-158.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 199	Related Measure: Codification and simplification of tax legislation (Measure ID: 16643)	
Name of the Milestone: Schedule for Tax Codification		
Qualitative Indicator: Publication of secondary legislation with set up of committees and timetable for Tax codification.		Time: Q3 2021
Evidence Provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: <ul style="list-style-type: none">i. A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.ii. Comprehensive Schedule containing a detailed timetable from Ministry of Finance and Independent Authority for Public Revenue for all deliverables on Tax Codification and Simplification and consultation arrangements adopted by: (a) Ministerial Decision 156929 ΕΞ 08.12.2021, OJ B 5705/09.12.2021 entering into force on 9 December 2021 and (b) Independent Authority for Public Revenue Governor's Decision A 1252/14.12.2021 (ΑΔΑ: Ω5ΙΙ46ΜΠ3Ζ-ΞΩ2) entering into force on 14 December 2021.iii. Relevant committees were set up by means of: (a) Ministerial Decision of the Minister of Finance 59170 ΕΞ 20.05.2021, OJ B 2188/26.05.2021 entering into force on 26 May 2021 and (b) Decisions of the Governor of the Independent Authority for Public Revenue ("ΑΑΔΕ") protocol numbers Δ.ΟΠΓ. Β 1111775/14.12.2021 (ΑΔΑ: ΨΒΔΜ46ΜΠ3Ζ-ΜΩ6) and Δ.ΟΠΓ. Β 1111773/14.12.2021 (ΑΔΑ: ΩΝ5Η46ΜΠ3Ζ-ΠΘΣ) entering into force on 14 December 2021. Copies of the publication in the Official Journal of all of the relevant background secondary legislation regarding the setup of these committees were also provided.		
Objectives of the measure: <p>The aim of the reform is to simplify and update the legislation for the major tax codes, the customs code and all relevant secondary legal provisions in line with EU best practices. The Independent Authority for Public Revenue will take responsibility for carrying out the updating and modernisation of the Code of Tax Procedure, Governor's decisions and Revenue administration circulars, including drafting the amendments required for the digitalisation and simplification of the tax administration. The Ministry of Finance and the Independent Authority for Public Revenue shall also provide a content management system and dedicated website for taxpayer information thus enhancing transparency, legal certainty, tax compliance and the business environment. Copies of the publication in the Official Journal of all relevant secondary legislation will be provided.</p>		
Analysis: <p>As provided in the CID, the milestone requires a comprehensive schedule for the deliverables on Tax Codification measure, including set up of the relevant committees, detailed timetable from Ministry of Finance and IAPR for codification of tax legislation and</p>		

consultation arrangements. The qualitative indicator requires that the schedule, including the set up of relevant committees, needs to be provided in secondary legislation.

The Authorities have provided a Comprehensive Schedule for the future deliverables on Tax Codification and Simplification in secondary legislation, through two decisions of the Minister of Finance and three decisions of the Governor of the Independent Authority for Public Revenue. These decisions entered into force upon their publication.

The provided schedule includes the detailed timetable and the set up of the relevant committees for the completion of all subsequent milestones for measure 16443: milestones 202, 203, and 204:

- Milestone 202: the setting up of a dedicated tax drafting unit at the Ministry of Finance and Service Provision Directorate at the Independent Authority for Public Revenue by Q2 2022 (evidence ii(a) and ii(b));
- Milestone 203: the setting up of the relevant committees together with a consistent and detailed timetable from Ministry of Finance and Independent Authority for Public Revenue for the updating and simplification of the Income Tax Code and Tax Procedures Codes by Q2 2023 (evidence iii(a) and iii(b)); and
- Milestone 204: the detailed timetable and setting up relevant committees for the completion of Tax Codification in other areas including capital and indirect taxes together with the systemisation of secondary legislation and establishment of a taxpayer information system by Independent Authority for Public Revenue and the Ministry of Finance by Q2 2024 (evidence ii(a), ii(b) and iii(a)).

A summary table was also provided that contains a full concordance between the required milestone deliverables and the relevant legal provisions.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 200	Related Measure: Incentivisation regime for productivity and extroversion of enterprises (increasing the size of enterprises) (Measure ID: 16598)	
Name of the Milestone: Draft legislation to encourage business extroversion		
Qualitative Indicator: Drafts of primary and secondary legislation to encourage business extroversion		Time: Q3 2021
Evidence Provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:		
<ul style="list-style-type: none"> i. A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. ii. A copy of the draft primary legislation for consultation purposes providing improvements of legal framework of taxation, financial and licensing incentives for mergers, conversions and acquisitions. No secondary legislation is stipulated by the primary law. iii. An internet link to the draft legislation subject to consultation: http://www.opengov.gr/minfin/?p=10845 		

The authorities also provided:

- iv. Letter from Ministry of Finance on the follow up of public consultation process, confirming that the final legislation (milestone 201 of Q1 2022) would be formulated after further consultation with the Commission and that it will be designed in compliance with state aid rules

Objectives of the measure:

The reform aims to tackle weaknesses associated with the predominantly small size of Greek enterprises. It shall create an array of tax, and other, incentives to encourage the self-employed and micro, small and medium sized enterprises to increase economies of scale through mergers, conversions, acquisitions and cooperation schemes which shall promote higher productivity and increased exports.

Analysis:

As provided in the CID, this milestone requires legislative drafts to be published for consultation purposes of primary and secondary legislation providing improvements of legal framework of tax, financial and licensing and incentives for mergers, conversions and acquisitions. (The eventual adoption and entry into force of the final legislation is covered by milestone 201 of Q1 2022.)

As required by the milestone, draft primary legislation to encourage business extroversion (evidence ii) was published for consultation purposes at the link provided in evidence (iii). No secondary legislation was stipulated by the draft primary law as the draft primary law sufficiently covered all necessary issues. Since this was draft legislation, no reference was required to a date of entry into force. The public consultation was open from 30 September 2021 to 1 November 2021 with the full replies displayed at the provided link.

The draft legislation entitled “Incentives for Business Development” proposed reforms in the legal framework of tax incentives for mergers, conversions and acquisitions, including:

- i. Corporate income tax incentives for mergers and acquisitions.
- ii. Corporate income tax incentives for incorporation of sole proprietorships or merged sole proprietorships.
- iii. Certain exemptions from transfer and other capital taxes for merging or incorporating companies.
- iv. Provisions for continuity of administrative licenses through mergers and incorporations.

The adoption and entry into force of the legislation is part of milestone 201 foreseen for the first quarter of 2022.

Furthermore, the Greek authorities confirmed in evidence (iv) that the final legislative text (milestone 201 of Q1 2022) will be formulated after further consultation with the Commission and that it will be designed in compliance with state aid rules.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 222

Related Measure: New Judicial buildings and renovations (Measure ID:

	16292)
Name of the Milestone: Identification – Eligible Buildings	
Qualitative Indicator : Completion of list	Time: Q3 2021
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. ii. A report by the Ministry of Justice listing the buildings not affected by the revision of the judicial map, titled “List of judicial buildings not affected by the planned revision of the judicial map” and signed by the Minister of Justice on 14 September 2021 under protocol number 3047. 	
<p>Objectives of the measure:</p> <p>The measure is taken in the context of the investment entailing the construction and renovation of buildings that are part of the judicial system, which is closely linked with the revision of the judicial map, aiming to maximize judicial efficiency and avoid unnecessary effort and expenses.</p> <p>Analysis:</p> <p>As provided in the CID, the milestone requires the compilation of a list of buildings not affected by the revision of the judicial map.</p> <p>The summary document (point i above) contains a description of the investment and the milestone in the CID Annex, refers to the consultation conducted with the relevant judicial formations and also reproduces verbatim the list of buildings, which is also contained in the report by the Ministry of Justice (point ii above), i.e. the judicial buildings which will not be affected by the forthcoming judicial map revision and which are eligible for construction or renovation work.</p> <p>Both documents identify five courthouses and the premises of the national school of judges that will not be affected by the revision of the judicial map and will either be relocated in new buildings or their premises will be renovated. The identification of the buildings in question was required as a prerequisite to the launch of construction work, in order to avoid expenditure on buildings that are not eligible. Given that all courthouses listed serve as the premises of major Greek courts, namely the courts of Piraeus, Thessaloniki, the Council of State, the respective capital cities, Edessa and Kilkis, of two regional divisions (i.e. prefectures) of the country, and the country’s National School of Judges, the selection seems appropriate in terms of the above-described rationale.</p> <p>The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.</p>	
Commission Preliminary Assessment: Satisfactorily fulfilled	

Number: 263	Related Measure: Organisational reform in the railways sector (Measure ID: 16982)
Name of the Milestone: Roadmap for Railways reform	

Qualitative Indicator: Roadmap	Time: Q3 2021
<p>Evidence Provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled and including a link to the published Roadmap. ii. Copy of the Roadmap for the complete re-organisation of the companies OSE and ERGOSE including appropriate arms-length governance arrangements and a link to the website where it can be accessed. iii. An accompanying letter of Minister of Infrastructure and Transport concerning the adoption of the Roadmap. 	
<p>Objectives of the measure:</p> <p>The reform aims to make the Greek rail sector more efficient, integrated, modern and responsive to customer demand. The main actions of the measure include –among others – the adoption of a reorganisation roadmap with the steps for the complete re-organisation of the main railway operators OSE and ERGOSE, the recruitment of a specialised consultant to assist in the implementation of the reform, the entry into force of primary and secondary legislation for the reform of the two companies, allowing them to develop, operate and maintain a modern railway network, and the implementation of the necessary actions defined in the primary and secondary legislation. The reform is of paramount importance for the development and modernisation of the railway network in Greece, which remains incomplete and represents only a small fraction of the inland transport. The reform should also help improve the absorption of EU structural funds which has been historically very low in the rail sector due to repeated delays. In total, it is estimated that between 2021 and 2027 over EUR 1.5 billion of Union funds (from Cohesion Policy Funds, Connecting Europe Facility and the RRF) will benefit the Greek railways</p> <p>Analysis:</p> <p>As provided by the CID, the milestone concerns the preparation of the Roadmap mentioned here above. The milestone is further specified in the Operational Arrangements, which provide that the reorganisation of the companies, OSE (railway infrastructure) and ERGOSE (Railway infrastructure construction project manager) should be based on certain principles that are necessary to achieve the objectives of the measure. These principles are:</p> <ol style="list-style-type: none"> i. arms' length governance arrangements. ii. clarification of responsibilities and comprehensive financing plan that allows the organisations to carry out those responsibilities without disruptions; and iii. necessary changes to organisational structures and management processes to modernise the companies and to improve their access to human resources. <p>The Railways Roadmap comprehensively outlines the reform principles for the reorganisation of the companies OSE (railway infrastructure) and ERGOSE (Railway infrastructure construction project manager) to strengthen their capacities and take on new responsibilities. The Roadmap includes the following elements which are considered key for the achievement of the objective of the measure: a) governance arrangements, b)</p>	

clarification of responsibilities between the companies, c) comprehensive financing plan and d) changes to organisational structures and management processes to modernise the companies and to improve their access to human resources.

The Roadmap foresees the introduction of arms' length governance arrangements, the clear definition of the mission of each company and the clarification of their responsibilities and a comprehensive medium-term financing plan, as well as the necessary changes to organisational structures and management processes to modernise the companies and to improve their access to human resources.

The associated timetable for deliverables covers the key deliverables needed to prepare for the required legislation for the reform of the two companies in Q2 2022 (milestone 264) and the full implementation of the reform to be accomplished by Q4 of 2023 (milestone 268). The accompanying letter from the Minister of Infrastructure and Transport confirms that the Roadmap has been adopted by the Ministry. The Roadmap has been published on the Ministry's website ([Ανάρτηση έκθεσης \(ggde.gr\)](http://www.ggde.gr)).

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 320	Related Measure: RRP Loan Facility (Measure ID 16980)	
Name of the Milestone: Operational agreements with international financial institutions		
Qualitative Indicator: Operational agreement with one international financial institution signed		Time: Q3 2021
Evidence provided:		
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:		
<ul style="list-style-type: none"> i. A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. ii. Decision of the Alternate Minister of Finance laying down the procedure for allocating funds to financial institutions, the terms and conditions of the procedure for granting loans to undertakings, specifying the criteria and methods of checking the eligibility of investments financed with resources from the Recovery and Resilience Facility and defining the procedure, conditions and criteria for awarding the eligibility assessment of investment projects to auditors (MD 120536 ΕΞ 2021, Official Journal B 4522/30.09.2021). iii. Amending Decision of the Alternate Minister of Finance laying down the procedure for allocating funds to financial institutions, the terms and conditions of the procedure for granting loans to undertakings, specifying the criteria and methods of checking the eligibility of investments financed with resources from the Recovery and Resilience Facility and defining the procedure, conditions and 		

criteria for awarding the eligibility assessment of investment projects to auditors (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021) (hereinafter, the framework Ministerial Decision).

- iv. Decision of the Alternate Minister of Finance on the criteria for assessing the eligibility of investment projects financed by loans from the Recovery and Resilience Facility (MD 120535 EΞ 2021, Official Journal B 4521/30.09.2021).
- v. Amending Decision of the Alternate Minister of Finance on the criteria for assessing the eligibility of investment projects financed by loans from the Recovery and Resilience Facility (MD 159335 EΞ 2021, Official Journal B 5885/15.12.2021) (hereinafter, the eligibility criteria Ministerial Decision).
- vi. Operational agreement between the Hellenic Republic and the European Bank for Reconstruction and Development (EBRD) signed by the Alternate Minister of Finance and EBRD's Regional Head of Greece and Cyprus on 29 November 2021 (hereinafter, the EBRD agreement).
- vii. Extract of the relevant parts of the Ministerial Decision constituting the framework for the operational agreements with international financial institutions and commercial banks (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021), and the operational agreement between the Hellenic Republic and EBRD (included in the summary document duly justifying how the milestone was satisfactorily fulfilled).

The authorities also provided a second operational agreement between the Hellenic Republic and the European Investment Bank (EIB) signed on 30 September 2021, and the amendment to that agreement signed on 17 January 2022, by the Alternate Minister of Finance and EIB's Head of Division and Head of Unit.

Objectives of the measure:

The measure concerns the use of loan support to promote private investments related to the green transition, digitalisation, extroversion, economies of scale and innovation. The Loan Facility should make use of the following distribution channels: financial institutions (international financial institutions and commercial banks, EUR 11.7 billion), an equity platform (EUR 0.5 billion), and the Member State compartment of the InvestEU programme (EUR 0.5 billion). The loans provided by the State should cover a maximum of 50% of the investment costs, with the financial institutions' participation at a minimum 30%, and debtor participation amounting to at least 20%. The projects financed by the Loan Facility should have positive net present values, and comply with State aid rules and the Do No Significant Harm principle. The Loan Facility also includes a commitment to invest at least 38.5% of the funds to support the climate transition and at least 20.8% to support the digital transition.

Analysis:

As provided in the CID, the milestone requires the adoption of a framework to be used for all loan agreements with international financial institutions and the signing of the operational agreement between the Ministry of Finance and at least one international financial institution. The Ministerial Decisions provide for the overall framework and the eligibility criteria, and as regards the agreement with at least one international financial institution, the EBRD agreement has been signed. More specifically, the aforementioned evidence includes the following requirements as set out in the CID.

- i. Article 1 of the framework Ministerial Decision (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021), and Section 3.09 of the EBRD agreement stipulate that the loans provided by the State shall cover a maximum of 50% of the investment costs, with the financial institutions' participation at a minimum 30%, and debtor participation amounting to at least 20%.
- ii. Article 5 of the framework Ministerial Decision (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021) provides that all reflows of the Loan Facility shall be channelled to the segregated account which shall be used to service public debt.
- iii. With reference to projects' eligibility:
 - a) Article 6 of the framework Ministerial Decision (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021), and Sections 1.01, 3.05 and Annexes A, B of the EBRD agreement provide that funded investments shall have a positive net present value.
 - b) Articles 3, 4, 5 of the eligibility criteria Ministerial Decision (MD 159335 EΞ 2021, Official Journal B 5885/15.12.2021), Articles 6, 8 of the framework Ministerial Decision (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021), and Section 3.03 and Annex A of the EBRD agreement stipulate that funded investments shall be aligned with the five strategic pillars set for the Loan Facility, namely green transition, digitalisation, extroversion, economies of scale through mergers and acquisitions, and innovation (Research & Development). Particularly, the excluded activities, the eligible costs, the method to determine the level of financing (that depends on the existence of eligible costs within the five pillars), and the eligibility criteria for each of the pillars are set out.
 - c) Articles 6, 7, 8, 9 of the framework Ministerial Decision (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021), and Sections 3.01, 3.03, 3.07 and Annexes A, B, D of the EBRD agreement stipulate that funded investments shall comply with State aid rules, applying relevant EU legislation and based on the reference rate assessment.
- iv. Articles 8, 9, 10, 11, 12 of the framework Ministerial Decision (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021), and Sections 3.01, 3.03, 3.11 of the EBRD agreement stipulate that independent auditors shall verify compliance with the Do No Significant Harm principle and with the commitment to invest at least 38.5% of the funds to support the climate transition and at least 20.8% of the funds to support the digital transition. Particularly, the criteria, the verification requirements and the reporting modalities concerning the conduct of audits are set out, while the auditors will be selected randomly from an established registry, under specific and defined standards.
- v. The framework for the operational agreements and the operational agreement signed between the Hellenic Republic and EBRD set out the following:
 - a) The governance framework:
 - 1. Article 6 of the framework Ministerial Decision (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021), and Sections 3.05, 3.08 and Annexes A, B of the EBRD agreement stipulate how decision-making shall be based on sound economic criteria and shall be at arms' length from the government.
 - 2. Article 6 of the framework Ministerial Decision (MD 159337 EΞ 2021, Official

Journal B 5886/15.12.2021), and Section 3.05 and Annexes A, B of the EBRD agreement stipulate how international financial institutions shall evaluate funding requests and decide based on their internal criteria.

3. Articles 6, 7 of the framework Ministerial Decision (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021), and Sections 3.05, 4.04 of the EBRD agreement provide that a dedicated Investment Board Committee shall monitor the implementation, without being involved in the selection process, and that international financial institutions shall report to the Investment Board Committee on regular intervals.

b) With reference to the amount of the disbursements to occur in tranches and the modalities for monitoring and audit:

1. Articles 5, 6 of the framework Ministerial Decision (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021), and Sections 1.01, 2.02, 2.03, 2.04, 4.03, 4.04 and Annexes A, B of the EBRD agreement provide for the Key Performance Indicators (KPIs) set for the monitoring of disbursed loans.

2. Articles 8, 9, 12 of the framework Ministerial Decision (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021), and Sections 3.01, 3.03, 3.07 and Annexes A, D of the EBRD agreement provide for three levels of checks on eligibility: assessment by the financial institution of the possibility to finance the project and its eligibility; assessment by an independent certified auditor prior to the provision of financing of the project eligibility, its categorisation among the five pillars (and the relevant accounting treatment), its contribution to the climate and digital targets, the avoidance of double funding, as well as the verification of compliance with State aid rules and the Do No Significant Harm principle; ex-post eligibility assessment on a sample basis by an independent certified auditor.

c) Article 6 of the framework Ministerial Decision (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021), and Sections 3.01, 3.08 and Annex A of the EBRD agreement provide for the *pari passu* participation of the State and international financial institutions, and for the requirement that all decisions regarding restructuring shall be allocated to the international financial institutions.

d) Article 6 of the framework Ministerial Decision (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021), and Annex A of the EBRD agreement provide for the exclusion of refinancing of outstanding loans.

e) Articles 6, 8 of the framework Ministerial Decision (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021), and Sections 3.01, 3.03 and Annexes A, B of the EBRD agreement stipulate the selection criteria for compliance with the Do No Significant Harm Technical Guidance (2021/C58/01) of supported activities, requiring the use of sustainability proofing, an exclusion list, and mandatory legal compliance checks with the relevant EU and national environmental legislation by an independent auditor.

f) Article 6 of the framework Ministerial Decision (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021), and Sections 2.04, 3.10 and Annex A of the EBRD agreement provide for the commitment to invest at least 38.5% of the funds to support the climate transition and at least 20.8% of the funds to support the

digital transition, using the methodology in Annexes VI and VII of the RRF Regulation.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

In addition, beyond the fulfilment of the milestone, the Hellenic Republic signed a second operational agreement with the EIB. That agreement and its respective amendment include provisions that comply with the relevant requirements as set out in the CID.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 321	Related Measure: RRP Loan Facility (Measure ID 16980)
Name of the Milestone: Launch of commercial banks call	
Qualitative Indicator: Launch of call	Time: Q3 2021
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. ii. Decision of the Alternate Minister of Finance laying down the procedure for allocating funds to financial institutions, the terms and conditions of the procedure for granting loans to undertakings, specifying the criteria and methods of checking the eligibility of investments financed with resources from the Recovery and Resilience Facility and defining the procedure, conditions and criteria for awarding the eligibility assessment of investment projects to auditors (MD 120536 EΞ 2021, Official Journal 4522/30.09.2021). iii. Amending Decision of the Alternate Minister of Finance laying down the procedure for allocating funds to financial institutions, the terms and conditions of the procedure for granting loans to undertakings, specifying the criteria and methods of checking the eligibility of investments financed with resources from the Recovery and Resilience Facility and defining the procedure, conditions and criteria for awarding the eligibility assessment of investment projects to auditors (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021) (hereinafter, the framework Ministerial Decision). iv. Decision of the Alternate Minister of Finance on the criteria for assessing the eligibility of investment projects financed by loans from the Recovery and Resilience Facility (MD 120535 EΞ 2021, Official Journal B 4521/30.09.2021). v. Amending Decision of the Alternate Minister of Finance on the criteria for assessing the eligibility of investment projects financed by loans from the Recovery and Resilience Facility (MD 159335 EΞ 2021, Official Journal B 5885/15.12.2021) (hereinafter, the eligibility criteria Ministerial Decision). vi. Decisions of the Alternate Minister of Finance launching the Calls addressed to commercial banks with the objective to provide loans to finance eligible investments under the Recovery and Resilience Facility (MD 439/30.09.2021 and 	

MD 440/30.09.2021) (hereinafter, the Calls).

- vii. Decision of the Alternate Minister of Finance providing for a Supplementary Notice to the commercial banks Calls on the amendment of the Decision of the Alternate Minister of Finance that: (i) alerts applicants that the Decision was amended and offers online access to it; (ii) clearly identifies the amendments and indicates that the Calls' content is superseded by the corresponding stipulations in the Decision (MD 165624 EΞ 2021/23.12.2021) (hereinafter, the Supplementary Notice).
- viii. Extract of the relevant parts of the Ministerial Decision constituting the framework for the operational agreements with international financial institutions and commercial banks, and the launched calls (included in the summary document duly justifying how the milestone was satisfactorily fulfilled).

The authorities also provided a legal opinion issued by a private law firm on the impact on the validity of the commercial banks Calls of the new provisions introduced in the amending Decision of the Alternate Minister of Finance.

Objectives of the measure:

The measure concerns the use of loan support to promote private investments related to the green transition, digitalisation, extroversion, economies of scale and innovation. The Loan Facility should make use of the following distribution channels: financial institutions (international financial institutions and commercial banks, EUR 11.7 billion), an equity platform (EUR 0.5 billion), and the Member State compartment of the InvestEU programme (EUR 0.5 billion). The loans provided by the State should cover a maximum of 50% of the investment costs, with the financial institutions' participation at a minimum 30%, and debtor participation amounting to at least 20%. The projects financed by the Loan Facility should have positive net present values, and comply with State aid rules and the Do No Significant Harm principle. The Loan Facility also includes a commitment to invest at least 38.5% of the funds to support the climate transition and at least 20.8% to support the digital transition.

Analysis:

As provided in the CID, the milestone requires the adoption of a framework to be used for all loan agreements with commercial banks and the launch of the Calls to commercial banks. The Ministerial Decisions provide for the overall framework and eligibility criteria, and as regards the Calls, these have been launched, accompanied by a Supplementary Notice. More specifically, the aforementioned evidence includes the following requirements as set out in the CID.

- i. Article 1 of the framework Ministerial Decision (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021), and Section 1.2 of the Calls stipulate that the loans provided by the State shall cover a maximum of 50% of the investment costs, with the financial institutions' participation at a minimum 30%, and debtor participation amounting to at least 20%.
- ii. Article 5 of the framework Ministerial Decision (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021) provides that all reflows of the Loan Facility shall be channelled to the segregated account which shall be used to service public debt.
- iii. With reference to projects' eligibility:
 - a) Article 6 of the framework Ministerial Decision (MD 159337 EΞ 2021, Official

Journal B 5886/15.12.2021) and Annex IV of the Calls provide that funded investments shall have a positive net present value.

- b) Articles 3, 4, 5 of the eligibility criteria Ministerial Decision (MD 159335 EΞ 2021, Official Journal B 5885/15.12.2021), Articles 6, 8 of the framework Ministerial Decision (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021), and Section 1.1 and Annex IV of the Calls stipulate that funded investments shall be aligned with the five strategic pillars set for the Loan Facility, namely green transition, digitalisation, extroversion, economies of scale through mergers and acquisitions, and innovation (Research & Development). Particularly, the excluded activities, the eligible costs, the method to determine the level of financing (that depends on the existence of eligible costs within the five pillars), and the eligibility criteria for each of the pillars are set out.
- c) Articles 6, 7, 8, 9 of the framework Ministerial Decision (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021), and Annex IV of the Calls stipulate that funded investments shall comply with State aid rules, applying relevant EU legislation and based on the reference rate assessment.
- iv. Articles 8, 9, 10, 11 of the framework Ministerial Decision (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021), and Annex IV of the Calls stipulate that independent auditors shall verify compliance with the Do No Significant Harm principle and with the commitment to invest at least 38.5% of the funds to support the climate transition and at least 20.8% of the funds to support the digital transition. Particularly, the criteria, the verification requirements and the reporting modalities concerning the conduct of audits are set out, while the auditors will be selected randomly from an established registry, under specific and defined standards.
- v. The framework for the operational agreements and the commercial banks Calls (in conjunction with the Supplementary Notice) set out the following:
 - a) The governance framework:
 1. Article 6 of the framework Ministerial Decision (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021), and Section 1.2 and Annex IV of the Calls stipulate how decision-making shall be based on sound economic criteria and shall be at arms' length from the government.
 2. Article 6 of the framework Ministerial Decision (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021), and Section 1.2 and Annex IV of the Calls stipulate how commercial banks shall evaluate funding requests and decide based on their internal criteria.
 3. Articles 6, 7 of the framework Ministerial Decision (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021), and Annex IV of the Calls provide that a dedicated Investment Board Committee shall monitor the implementation, without being involved in the selection process, and that commercial banks shall report to the Investment Board Committee on regular intervals.
 - b) With reference to the amount of the disbursement to occur in tranches and the modalities for monitoring and audit:
 1. Articles 5, 6 of the framework Ministerial Decision (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021), and Section 1.2 and Annex IV of the

Calls provide for the Key Performance Indicators (KPIs) set for the monitoring of disbursed loans.

2. Articles 8, 9 of the framework Ministerial Decision (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021), and Section 1.2 and Annex IV of the Calls provide for three levels of checks on eligibility: assessment by the commercial bank of the possibility to finance the project and its eligibility; assessment by an independent certified auditor prior to the provision of financing of the project eligibility, its categorisation among the five pillars (and the relevant accounting treatment), its contribution to the climate and digital targets, the avoidance of double funding, as well as the verification of compliance with State aid rules and the Do No Significant Harm principle; ex-post eligibility assessment on a sample basis by an independent certified auditor.
- c) Article 6 of the framework Ministerial Decision (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021), Section 1.2 and Annex IV of the Calls, and point b of the Supplementary Notice provide for the *pari passu* participation of the State and commercial banks, and for the requirement that all decisions regarding restructuring shall be allocated to the commercial banks.
- d) Article 6 of the framework Ministerial Decision (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021), Annex IV of the Calls, and point c of the Supplementary Notice provide for the exclusion of refinancing of outstanding loans.
- e) Article 6 of the framework Ministerial Decision (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021), and point b of the Supplementary Notice stipulate that no state guarantee shall be provided on loans extended by commercial banks in the framework of the Loan Facility.
- f) Articles 6, 8 of the framework Ministerial Decision (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021), and Annex IV of the Calls stipulate the selection criteria for compliance with the Do No Significant Harm Technical Guidance (2021/C58/01) of supported activities, requiring the use of sustainability proofing, an exclusion list, and mandatory legal compliance checks with the relevant EU and national environmental legislation by an independent auditor.
- g) Article 6 of the framework Ministerial Decision (MD 159337 EΞ 2021, Official Journal B 5886/15.12.2021), and Annex IV of the Calls provide for the commitment to invest at least 38.5% of the funds to support the climate transition and at least 20.8% of the funds to support the digital transition, using the methodology in Annexes VI and VII of the RRF Regulation.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 331

Related Measure: Technical Assistance (ID: 16968)

Name of the Milestone: EDEL's legal mandate and setting up the management, control and audit systems

Qualitative Indicator: EDEL’s legal mandate in force and the Management, Control and Audit Systems established	Time: Q3 2021
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> i. A summary document that duly justified how the milestone is fulfilled. ii. Law 4820/2021, Official Journal A 130/23.07.2021, Organic Law of the Court of Auditors and other arrangements, which provides the mandate for the Hellenic Audit Authority (EDEL) as audit institution for the implementation of the National Recovery and Resilience Plan. iii. Presidential Decree 88/2021, Official Journal A 205/02.11.2021, “Amendment of provisions of P.D. 142/2017”, which establishes a dedicated Directorate for RRF within EDEL. iv. Ministerial Decision (119126 EΞ 2021, Official Journal B 4498/29.09.2021), which sets up the Management and Control System. v. EDEL audit report, which assesses the system as adequate and fully complying with the requirements of the RRF Regulation. <p>The authorities also provided:</p> <ul style="list-style-type: none"> i. Manual of procedures, which provides detailed guidance for implementing bodies on how to fulfil their tasks. ii. Data for 11 contracts and 1 grant containing information on the contractors, sub-contractors and beneficial owners of each. 	
<p>Objective of the measure:</p> <p>The measure concerns the setting up of the management and audit and control systems in accordance with Article 22 of the RRF Regulation.</p> <p>Analysis:</p> <p>As provided in the CID, the milestone concerns three main elements related to audit and control:</p> <ul style="list-style-type: none"> i. the entry into force of the legal mandate of the Hellenic Audit Authority (EDEL). ii. the establishment of the Audit and Control system; and iii. undertaking an audit report on the system set up, which should set out corrective actions for any identified weaknesses. <p>Regarding point i), EDEL’s legal mandate is set out in Articles 189 to 201 of Law 4820/2021. These provisions extend EDEL’s mandate to the RRF, as EDEL is also the competent Audit Authority for European Structural and Investment Funds since 2001.</p> <p>Regarding point ii), the Audit and Control System was established by the Ministerial Decision of the Alternate Minister of Finance (119126 EΞ 2021, Official Journal B 4498, 29.09.2021), setting up the Management and Control System. Specifically, the Audit and Control System:</p> <ul style="list-style-type: none"> a. ensures the collection of data and the monitoring of the achievement of milestones and targets. A Management Information System is in place that allows 	

the authorities to undertake these tasks.

- b. allows for the preparation of management declarations and the audit summaries as well as payment claims. Notably, the management declaration and the audit summary that were produced before the first payment request via this system show evidence of this occurring in practice.
- c. establish the necessary procedures to collect and store data on beneficiaries, contractors, subcontractors, and beneficial owners in accordance with Article 22 of the RRF Regulation, before the first payment request is made. Such procedures are established by the provisions of Articles 3 and 13 of the Ministerial Decision (119126 EΞ 2021, Official Journal B 4498, 29.09.2021) and procedures D1, D5, D6, and D20 of the Manual of procedures. In addition, as per the verification mechanism of the Operational Arrangements, Greece provided evidence that the collection, storage and access to the data required by Article 22(2)(d)(i) to (iii) of the RRF Regulation has started. This evidence consists of over 60 documents related to 11 contracts and 1 grant scheme. The control carried out by the European Commission based on the information provided by Greece on the 11 contracts and 1 grant scheme confirms that the system is able to link the contracts selected with measures of the Greek Recovery and Resilience Plan and that the data on contractors, subcontractors and beneficial owners has been collected and stored.

Regarding point iii), the Audit Report carried out by EDEL verified the set-up of a system for the storage of the necessary data, ensuring interoperability of the information system, data security and integrity, as well as the protection of personal data, collection and storage of data. The report did not identify any major weaknesses. As the system continues to be improved, and going beyond the requirements of the milestone, the authorities intend to conduct a further audit in Q2 2022, to be carried out by EDEL and include the audit of the full operationalization of the Management Information System.

As regards the prevention of conflict of interest within the audit and control system, preventive measures were established, and applied to all contracts, which include:

- i. The ethics and integrity policy (annex A of the Manual of procedures)
- ii. The solemn declarations on the avoidance of conflict of interest.
- iii. Provisions of Law 4412/2016 (and especially Article 24), which transpose d Directive 2014/24/EU.
- iv. The implementation of a Fraud Risk Assessment Tool.

The Recovery and Resilience Facility Coordination Agency, which is the public body responsible for the overall coordination of Greece's Recovery and Resilience Plan, has been tasked with the performance of active monitoring on the progress of the projects, and verification of the achievement of the milestones and targets set for each component and/or reform and investment. The Agency has also been tasked with carrying out ex-ante checks on conflict of interest using beneficial owner data for all projects on a sample basis as part of a wider pre-screening of procurement procedures.

In order to ensure continuous compliance with the milestone and its obligations under the Financing and Loan Agreements, as attested through the summary document justifying how the milestone was satisfactorily fulfilled, Greece has committed to continue to develop its system to improve its functionalities and efficiency by:

- using the European Central Platform for identifying beneficial owners of foreign companies, once it becomes available. In the meantime, and in case needed, implementing bodies shall contact the Official register of the Member State in which the company is resident;
- developing and implementing - over the next 6 months and at the latest before the next payment request is submitted to the European Commission - an adequate risk-based selection approach for the ex-ante checks to prevent conflict of interest, making use of the beneficial owner data; and
- implementing a roadmap for the use of EU ARACHNE as a data mining and risk scoring tool for the control of conflict of interest. In order to incorporate the use of ARACHNE in the Management and Control Systems, the Recovery and Resilience Facility Coordination Agency has requested access to the platform and is in the process of determining the methodology for the upload of data on the EU ARACHNE, as well as the specific areas where the tool will be utilized, taking into account best practices from other Member States.

The conclusion of the preliminary assessment is that the milestone has been satisfactorily fulfilled.

Commission Preliminary Assessment: Satisfactorily fulfilled