

- private providers of primary care services *i.e.*, i) private providers of primary health care (private doctors and dentists' practices; private group doctors' and dentists' practices; private diagnostic centres; private centres for physical medicine and rehabilitation); ii) chronic dialysis units other than in hospitals and clinics; iii) dental laboratories; iv) shops for optical use and contact lenses; v) physiotherapy centres; vi) beauty salons; vii) slimming/dietary businesses;
- stevedores / loaders for land operations at central markets;
- sworn-in valuers;
- accountants and tax consultants;
- actuaries;
- temporary employment companies;
- private labour consultancy offices;
- tourist guides;
- real-estate brokers.

The Government publishes on its website a report [Q1-2012] on the implementation of Law 3919/2011, including:

- the list of all professions/economic activities falling under the scope of that law,
- a timetable to screen and eliminate inconsistencies between Chapter A of Law 3919/2011 and the regulations (*i.e.*, laws, Presidential Decrees, Ministerial Decisions and circulars) of professions and economic activities falling under that chapter. The timetable specifies the list of professions and economic activities prioritised by economic importance that will be assessed every quarter with a view to finalizing this exercise by **end-2012**.

For professions where reinstatement of restrictions is required in line with the principles of necessity, proportionality and public interest, the government will pass the required legislation no later than **end-June 2012** upon consultation with the HCC and the Commission, IMF and ECB staff teams.

Measures for regulated professions falling under chapter B of law 3919/2011

The Government also adopts legislation [Q2-2012] to:

- reinforce transparency in the functioning of professional bodies by publishing on the webpage of each professional association the following information:
 - the annual accounts of the professional association.
 - the remuneration of the members of the Governing Board broken down by function.
 - the amounts of the applicable fees broken down by type and type of service provided by the professional association as well as the rules for their calculation and application.
 - statistical and aggregate data relating to sanctions imposed, always in accordance with the legislation on personal data protection.
 - statistical and aggregate data relating to claims or complaints submitted by consumers or organisations and the reasons for accepting or rejecting the claim or the complaint, always in accordance with the legislation on personal data protection.
 - any change in the professional codes of conduct, if available.
 - the rules regarding incompatibility and any situation characterised by a conflict of interests involving the members of the Governing Boards.

Additional measures on regulated professions

On fixed fees applied by the main regulated professions:

- The Government amends Art. 10 of Presidential Decree 100/2010 on the authorization process and applicable fees for energy inspectors, to repeal the minimum fees for energy inspection services provided for thereof and to replace the fixed fees per square meter by maximum fees. [Q2-2012]
- For the legal profession, the Government issues a Presidential Decree, which sets prepaid amounts for each procedural act or court appearances (*i.e.*, it sets a system of prepaid fixed/contract sums for each procedural act or appearance by a lawyer which is not linked to a specific 'reference amount'). [Q1-2012]
- The Government carries out an assessment regarding the extent to which the contributions of lawyers and architects to cover the operating costs of their professional associations are reasonable, proportionate and justified. [Q1-2012]
- The Government identifies ways of decoupling taxation, social contributions, distribute funds (if applicable) and payments to the professional associations from legal fees. [April 2012]
- The Government defines contributions of lawyers and engineers to their professional associations that reflect the operating costs of the services provided by those associations. These contributions are paid periodically and are not linked to prices charged by professions. [Q3-2012]

Revision of the areas of reserve of activities of regulated professions:

- The Government presents the results of screening of the regulations of the professions to assess the justification and the proportionality of the requirements reserving certain activities to providers with specific professional qualifications. [Q2-2012]
- The Government modifies the unjustified or disproportionate requirements reserving certain activities to providers with specific professional qualifications, starting from the main regulated professions. [Q3-2012]

Reform of the Code of Lawyers

In the context of the Government's initiative to revise the Code of Lawyers, the Government amend the terms of entry and re-entry as well as the conditions for the exercise of the profession. Draft legislation is presented to the European Commission by **end-February 2012** and is adopted by **end-June 2012**.

Before **end-June 2012**, legislation is adopted to:

- amend or repeal provisions on pricing and on access to, and exercise of, professional or economic activities that are against Law 3919/2011, EU law and competition principles. In particular, legislation:
 - repeals Art. 42.1 of Legislative Decree 3026/1954, regarding the mandatory presence of a lawyer for the drawing up of documents before a notary for a series of legal transactions;
 - repeals Arts. 92.2 and 92A of Legislative Decree 3026/1954 providing for the minimum amounts and for the scale of minimum monthly amounts that are due to lawyers that are only remunerated for services rendered with a fixed periodic fee. This is without prejudice to having fee regulations for trainee lawyers.

Recognition of professional qualifications

All the necessary measures are taken to ensure the effective implementation of EU rules on the recognition of professional qualifications, including compliance with ECJ rulings (*inter alia*, related to franchised diplomas).

In particular, the Government:

- keeps updating the information on the number of pending applications for the recognition of professional qualifications, and sends it to the European Commission.
- presents draft legislation by **end-March 2012**, to be adopted by **Q2-2012**, in order to remove the prohibition to recognise the professional qualifications derived from franchised degrees. Holders of franchised degrees from other Member States should have the right to work in Greece under the same conditions as holders of Greek degrees.

Services Directive

The Government completes the adoption of changes to existing sectoral legislation in key services sectors such as retail (e.g. open air markets and outdoor trade), agriculture (e.g. slaughter houses), employment (employment agencies), real estate services and technical services (cfr. the section on business environment). The Government also adopts changes to the remaining sectoral regulation, ensuring full compliance with the directive.

Regulations should:

- facilitate the establishment by:
 - abolishing or amending requirements which are prohibited by the Services Directive;
 - abolishing or amending unjustified and disproportionate requirements, including those relating to quantitative and territorial restrictions, legal form requirements, shareholding requirements, fixed minimum and/or maximum tariffs and restrictions to multidisciplinary activities.
- facilitate the provision of cross-border services, so that providers of cross-border services are required to comply with specific requirements of the Greek legislation only in exceptional cases (when admitted by Articles 16 or 17 of the Services Directive).
- provide legal certainty for providers of cross-border services by setting out in the respective (sectoral) legislation which requirements can, and which requirements cannot, be applied to cross-border services.

In particular, the following pending regulations are adopted by **Q1-2012**:

- Law providing for the possibility of having secondary establishment for private employment agencies, eliminating fixed maximum rates, abolishing the requirement of having a minimum number of employees and allowing for the cross border provision of services of private employment agencies.
- Law on real estate agents.
- Presidential Decree abolishing the economic test for the opening of slaughter houses.

The Government carries out a proportionality analysis of the restrictions applied on outdoor / ambulant trade for social policy criteria. **[Q1-2012]**

The Government also ensures:

- that the Point of Single Contact (PSC) is fully operational in all sectors covered by the Services Directive;
- that the PSC distinguishes between procedures applicable to service providers established in Greece and those applicable to cross-border providers (in particular for the regulated professions);

- that there is adequate connection between the PSC and other relevant authorities (including one-stop shops, professional associations and the recognition of professional qualifications). **[Q1-2012]**

Studies on price flexibility

The Government screens the main service sectors (including retail and wholesale distribution) and prepares an action plan to promote competition and facilitate price flexibility in product markets. **[April 2012]**

Business environment

Package of reform measures to improve the business environment

The Government adopts a package of measures to improve the business environment consisting of the following:

The Government will

- Review and codify the legislative framework of exports (i.e., Law 936/79 and Law Order 3999/59), abolish the obligation of registration with the exporters' registry of the Chamber of Commerce and set the framework for the introduction of a single electronic export window. **[Q1-2012]**
- Amend Arts. 26.2, 43B, 49.1, 49.5, 69.3 and 70.1 of Law 2190/1920, the corresponding articles in Law 3190/1955 and any other legal provisions to lift the requirement to publish company information in any kind of newspapers for companies with a website. This is without prejudice to the publication of company information in the Official Gazette / GEMI. **[Q1-2012]**
- Repeal Art. 24 of Law 2941/2001, prohibiting the sale of merchandise at prices below the cost of purchase. This is without prejudice to Art. 2 of Law 3959/2001 on abuse of dominance in the form of predatory pricing and to Law 149/14 on unfair competition. **[Q1-2012]**
- Lift constraints for retailers to sell restricted product categories such as baby food provided for in Law 3526/2007 and its implementing legislation. **[Q1-2012]**
- Repeal Art. 9 and 12 of Ministerial Decision A2-3391 concerning the submission of wholesale price lists, cost elements and contracts to the Ministry of Development, Competitiveness and Shipping. **[Q1-2012]**
- Amend Art. 22 law 3054/2002 regulating the market of oil products and other clauses as well as its implementing ministerial decision to fully liberalize petrol station opening hours, with parallel application of the current system of compulsory night opening, on a rotating basis, on a certain number of petrol stations per prefecture outside the normal opening hours. **[Q1-2012]**
- Amend Art. 11(1) of law 3897/2010 to i) reduce the minimum distance provided for thereof between a petrol station and a place where more than 50 people may gather; ii) repeal the requirement to have an independent traffic connection for petrol stations within the area of a hypermarket provided for in Article 11(1) of Law 3897/2010 and iii) amend Art. 11(6) of the same law to allow EEA citizens to open a petrol station in Greece. **[Q2-2012]**
- Repeal Art. 12.2 of Law 3853/2010, providing that draft model company statutes will be first proposed by the chambers of notaries and lawyers before the Ministry of Development, Competitiveness and Shipping can issue the relevant common ministerial decision provided thereof. **[Q1-2012]**
- Cease to earmark the 0.15 percent surcharge (provided for in the Joint Ministerial Decision 25323/1960 and in Art. 64 of law 1249/1982) levied on the

CIF value of imported goods from non-EU countries in favour of the Assistance Account of Foreign Trade. Government allocates the aforementioned amounts to the 2013 State budget. [Q2-2012]

- Cease to earmark the 0.5 percent charge provided for in the Emergency Statute 788/48 and in Law 3883/1958 on the value of all imported merchandise in favour of the National Technical University of Athens, the University of Thessaloniki, the Athens Academy and for the promotion of exports. Government allocates the aforementioned amounts to the 2013 State budget. [Q2-2012]
- Cease to earmark the non-reciprocating charge paid via the power public corporation bill in favour of the executive work provided for in No. T. 4363/1236. Government allocates the aforementioned amounts to the 2013 State budget. [Q2-2012]
- Cease to earmark the non-reciprocating charge calculated on the fuel price in favour of Mutual Distribution Fund of the Oil-Pump Operators of Liquid Fuel. Government allocates the aforementioned amounts to the 2013 State budget. [Q2-2012]

Implementation of law 3982/2011 on the fast track licensing procedure for technical professions, manufacturing activities and business parks and other provisions

The Government:

- Issues the Joint Ministerial Decision of degrees of nuisance provided for in Art. 20.9 of 3982/2011. [March 2012]
- Issues the Joint Ministerial Decision on standardised environmental terms for industrial activities provided for in Art. 36.1 of Law 3982/2011. [March 2012]
- Issues the Presidential Decrees on preconditions for obtaining a licence for industry technicians, plumbers, liquid and gaseous fuel technicians, cooling technicians and machine operators in constructions provided for in Art. 4.4 of Law 3982/2011. [March 2012]
- Issues the Presidential Decrees on preconditions for obtaining a licence for electricians provided for in Art. 4.4 of Law 3982/2011. [May 2012]
- Issues the Presidential Decree on Certified Inspectors provided for in Art. 27.4 of law 3982/2011. [Q2-2012]
- Issues the Joint Ministerial Decision on the process of licencing business parks provided for in Art. 46.6 of law 3982/2011. [March 2012]

Implementation of Law 4014/2011 on environmental licensing of projects and activities

The Government:

- Issues the Ministerial Decision provided for in Art. 2.7 of Law 4014/2011 on environmental licensing of projects and activities, laying down requirements for the content of the decision approving the environmental conditions according to the type of project or activity. [Q2-2012]
- Issues the Ministerial Decisions provided for in Art. 8.3 of Law 4014/2011 on environmental licensing of projects and activities (other than industrial activities), laying down the standard environmental commitments of projects and activities in category B; and in Art. 2.12 of Law 4014/2011 to further specify the procedure and specific criteria for environmental licencing. [Q2-2012]

Business-Friendly Greece

The Government publishes on its website a plan for a Business-Friendly Greece, tackling remaining restrictions to business activities, investment and innovation not covered elsewhere in this memorandum. [end-February 2012]

The Government implements the Business-Friendly Greece Action plan. [Q1-2012]
The plan includes measures, among others, in order to:

- complete the setting-up of the General Commercial Registry (GEMI) by promptly taking measures for the completion of the GEMI database, the further development of web services and use of electronic signatures, the interconnection of GEMI to the Chamber's information systems and to the PSC, in order to ensure access to online completion of procedures both for company formation and for any administrative procedures necessary for the exercise of their activities. By July 2012, all companies established in Greece should be able to publish all relevant company data through GEMI;
- simplify environmental, building and operating permits;
- develop a "single electronic window" centralizing standardized trade-related information and simplifying the number of documents needed to export;
- address restrictions in the transport sector, including the transport of empty containers and of non-hazardous waste.

Land registry and spatial planning

The Government accelerates the completion of the land registry, with a view to:

- tendering out all remaining rights (ca. 15 million) and awarding cadastral projects for 7 million rights; [Q4-2012]
- digitalising the operations of all mortgage and notaries' offices and conveying all newly registered deeds to the cadastre by 2015;
- exclusively-operating cadastral offices for large urban centres by 2015;
- establishing a complete cadastral register and exclusively operating cadastral offices nationwide by 2020.

The Government completes the revision of the 12 regional spatial plans to make them compatible with the four sectoral plans (on industry, tourism, aquaculture and renewable energy). [Q4-2012]

The Government adopts legislation to (i) simplify and reduce time needed for town planning processes; (ii) update and codify legislation on forests, forest lands and parks. [Q3-2012] It also adopts legislative measures for the management of industrial hazardous waste [Q2-2012] and licenses at least two disposal sites for hazardous waste by [Q4-2012].

Other measures to improve the business environment

- *Quasi fiscal charges*: the list of non-reciprocating charges in favour of third parties presented to the Commission services in November 2011 is further refined by i) identifying beneficiaries, ii) specifying the legal base of each contribution and by iii) quantifying contributions paid by consumers in favour of those beneficiaries, with a view to rationalize these contributions and/or channel those through the State budget. [Q2-2012]
- *Market regulations*: the revision of Ministerial Decision A2-3391/2009 on market regulations, as well as any other related legislation, is completed [March 2012]. This exercise is carried out in cooperation with the Hellenic Competition Commission, with a view to identifying administrative burdens and unnecessary

barriers to competition and developing alternative, less restrictive, policies to achieve government objectives. The revised Ministerial Decision on market regulations is adopted in April 2012.

- *Screening of business restricting regulations:* The Government completes a structured analysis of how regulation in areas such as permits and licences, health and safety rules, urban planning and zoning, can unnecessarily restrict business and competition in important sectors such as food processing, retail trade, building materials, manufacturing or tourism. Similarly, the government seeks to simplify business regulations in areas such as new business registration and regulation of accounting. [Q3-2012] Within 6 months of the completion of the analysis, the Government will take the necessary legislative or other actions to remove disproportionate regulatory burdens.
- *Planning reform:* The Government reviews and amends general planning and land-use legislation ensuring more flexibility in land development for private investment and the simplification and acceleration of land-use plans. [Q3-2012]
- *Development of an integrated and simplified process for export and customs formalities.* By end-March 2012, the e-customs system supports the electronic submission of export declarations. By end-December 2012, (i) the e-customs system supports the electronic submission of import declarations; (ii) pre-customs procedures (i.e., certificates, licenses as well as steps and actors involved in the processes) are streamlined according to EU regulations and best practices; (iii) legislation is aligned with EU regulations and the common rules for customs procedures at export and import, including the local clearance procedure; (iv) the level (number) of customs' controls (both physical and documentary) are also aligned with best practices; (v) the electronic single-window of exports is launched after the simplification of the pre-customs procedures and it is interlinked with e-customs to provide a single entry point for the exporters.
- *Security stocks of crude oil and petroleum products:* The Government transposes Directive 2009/119 imposing an obligation on Member States to maintain minimum stocks of crude oil and /or petroleum products. [Q4-2012]
- An *ex post* impact assessment is presented in order to evaluate Law 3853/2010 on the simplification of procedures for the establishment of companies in terms of savings in time and cost to set up a business, as well as to verify that all secondary legislation is in force. [Q3-2012]

Transport

Road

A report is submitted on the functioning of the regular passenger transport services (KTEL), presenting options for liberalisation. [Q1-2012]

The transitional period established in Law 3887/2010 for the reduction in costs for issuing new road transport operator licences has been brought to an end in January 2012. Prior to the disbursement, the necessary secondary legislation as foreseen in that law (Article 14(11)) is published, specifying the cost for issuing new road transport operator licences. This cost is transparent, objectively calculated in relation to the number of vehicles of the road transport operator and does not exceed the relevant administrative cost.

In line with the policy objectives of Law 3919/2011 on regulated professions, the Government removes entry barriers to the taxis market (in particular, restrictions on the

number of licences and price of new licences), in line with international best practice. [Q1-2012]

Ports

The Government defines a strategy to integrate ports into the overall logistics and transport system, specifying the objectives, scope, priorities and financial allocation of resources. The strategy will ensure the implementation of the TEN-T priorities and the establishment of the foreseen corridors. It will also ensure the efficient use of the assigned Structural and Cohesion Funds [Q2-2012]

Aviation

The Government submits a policy paper, indicating how regional airports will be merged into groups ensuring that regional airports become economically viable in compliance with State aid rules, including realistic projections identified by the appointed financial advisors. [Q2-2012] After ensuring that regional airports are economically viable, the Government launches an effective transaction strategy leading to their privatisation. [Q4-2012]

Railways

The rail regulatory authority establishes the procedures for issuing licenses and decisions affecting non-discriminatory access of EU railway undertakings to Greek rail infrastructure. It identifies the benchmarking data on the cost effectiveness of the infrastructure manager. The authority conducts on its own initiative procedures and respects the legal time lines for such decisions set out in the EU railway Directives, including cases on international traffic. All operators are awarded licenses and safety certificates. [Q2-2012]

The Government establishes independent award authorities for passenger services by rail that can organise competitive tenders. Contracts concluded in 2014 or later will generally be awarded by means of competitive tender. The rolling stock that is not used/needed by TrainOSE should be transferred to a body which leases it on market conditions, including to winners of such tenders. The documentation for calls for a first bundle of services is ready, general rules on the ticket prices are established and a decision on the provision of rolling stock is taken. [Q4-2012]

Energy

Unbundling of network activities

The Government ensures that network activities are effectively unbundled from supply activities.

In particular, for electricity:

- all the necessary transfers of staff and assets of the transmission system operator (TSO) are completed; the TSO management, its supervisory body and the compliance officer are appointed in accordance with the Electricity Directive 2009/72/EC. [February 2012]
- all necessary transfers of staff and assets to the legally unbundled distribution system operator (DSO) are completed. [Q1-2012]
- the unbundled TSO is certified by the Greek energy regulator. [Q2-2012]

For gas:

- unbundling is implemented as provided for in Art. 9 of Directive 2009/73/EC on common rules for the internal market in natural gas. [Q1-2012]
- the unbundled TSO is certified by the Greek energy regulator. [Q3-2012]

The Government commits to launch the privatisation of PPC and DEPA following the unbundling of the TSOs in line with the commitments of this memorandum and monitors the process to ensure competition in the market.

The Government undertakes that whichever the outcome of the privatisation process the gas industry structure will be fully compliant with Directive 2009/73/EC.

Measures to increase competition on the generation of electricity

The Government finalises the remedies to ensure the access of third-parties to lignite-fired electricity generation. [Q1-2012]

The Government starts implementing the measures ensuring the access by third parties to lignite-fired electricity generation. [Q2-2012]

The implementation of the measures to ensure access by competitors of PPC to lignite-fired electricity generation is completed. Third parties can effectively use lignite-fired generation in the Greek market. [November 2013]

In the context of privatization of PPC, the Government takes the necessary steps to be able to sell hydro capacity and other generation assets to investors. That sale is separate from the divestiture of lignite capacity provided for in the Commission's decision on the Greek lignite case. Nevertheless, investors may be given the possibility to buy hydro capacity / other generation assets jointly with the lignite capacity provided for in that decision. The sale of hydro capacity will i) not delay the sale of lignite assets beyond the time frame provided for in the relevant Commission Decision and ii) not prevent the sale of lignite assets without a minimum price.

Regulated tariffs

Further measures are adopted to ensure that the energy component of regulated tariffs for households and small enterprises reflects, at the latest by June 2013, wholesale market prices, except for vulnerable consumers. [Q2-2012]

The Government removes regulated tariffs for all but vulnerable consumers [Q2-2013]

Renewables

The Government completes transposition and implementation of the renewable energy Directive (2009/28/EC) and submits the progress report required by the Directive. [Q1-2012]

The Government prepares a plan for the reform of the renewable energy support schemes such that they are more compatible with market developments and reduce pressures on public finances. The plan should contain:

- a timetable scheduling meetings and stakeholder discussions on the reform of the support scheme.

- options for reform of the support scheme, including a feed in premium model, and specifying in each option the method of tariff calculation and the means of avoiding possible over compensation.
- current and expected trends in costs for all relevant technologies.
- consideration of the option of automatic tariff digression.
- measures for the development of wind and solar energy resources. [Q1-2012]

The Government pursues implementation of the renewable energy project 'Helios,' through legislation [Q1-2012], facilitation of licencing process [Q2-2012] and developments of cooperation with other EU countries for the export of solar energy.

Other measures

The Government ensures that its regulatory framework for the energy sector fully complies with the provisions in the Electricity and Gas Regulation, in particular concerning transparency, congestion management and non-discriminatory and efficient allocation of capacity on gas and electricity networks. In particular, Government commits to resolve all open issues regarding the infringement case 2009/2168 for non-compliance with the Electricity Regulation. This resolution will include the adoption by the Independent Regulatory Authority (RAE) of a modified electricity market code and establishing cross-border electricity trading procedures for the interconnectors with Bulgaria in line with the provisions of Regulation (EC) 714/2009 and its annexes. [Q1 2012]

The Government undertakes to:

- Establish a One-Stop Shop for the licensing and permitting of the following classes of infrastructure projects [Q4-2012]: LNG installations, natural gas storage and transmission pipeline projects and electricity transmission lines.
- Establish an LNG code, approved by RAE, which ensures transparency and non-discriminatory access to the Revithoussa LNG plant and the efficient allocation of unused capacities. [Q3 2012]

Electronic communications

The Government adopts the Common Ministerial Decision on "Base stations and antennae constructions that are exempted from authorisation", provided for in Art. 31.8 of Law 3431/2006 and Art. 29.9 of the draft law on the Regulation of the functioning of the postal market, matters of electronic communications and other provisions. [end-February 2012]

The Government adopts the provisions instituting EETT as a One-Stop Shop for the licensing of antennae and base stations. [end-February 2012]

The Law transposing the 2009 Reform Package (i.e., Directive 2009/140/EC and Directive 2009/136) is adopted by Parliament. [Q1-2012]

Regarding the Digital Dividend, the Government (and/or EETT):

- defines a legal framework in primary law that envisages a mandatory date for switch-off of analogue broadcasting for 30/06/2013 and a technologically neutral utilisation of the 800MHz band after the switch off, taking also into account the provisions of the draft Radio Spectrum Policy Programme (RSPP). [Q1-2012]
- completes the studies on the evaluation of the value of the Digital Dividend and on the strategy for the granting of the Digital Dividend (800 MHz band). [Q1-2012].
- resolves cross-border coordination issues with neighbouring countries. In alternative launches formal steps with a view to settle coordination (intergovernmental conferences, set up of intergovernmental working group) in

order to define the available channels. If difficulties on international coordination make this date unfeasible, the frequency and broadcasting plans might indicate alternative channels for re-location of broadcasters, while continuing negotiations with third countries in view of the final assignment of frequencies to broadcasters and mobile operators. [Q2-2012]

- launches the consultation for the amendment of the frequency and broadcasting plans. [Q2-2012]
- amends the frequency and the broadcasting plans, depending on the outcome/actual state of play of international coordination. [Q3-2012]
- adopts necessary secondary legislation for the assignment of licenses for broadcasting and for the establishment of licensing procedures, antennae specifications, etc. [Q3-2012]
- launch the public consultation on the tender procedure for the assignment of the digital dividend to broadband. [Q4-2012]
- proceed to the tender for the assignment of definitive rights of use for broadcasting transmission. [Q1-2013]
- proceed to the tender procedure for the assignment of frequencies of the digital dividend, allocating and authorising the use of the digital dividend (800 MHz band) to Electronic Communications Services in line with EC Decision 2010/267/EU and in respect of the deadlines and procedures of the RSPP. [Q2-2013]

R&D and innovation

The Government pursues an up-to-date and in-depth evaluation of all R&D and on-going innovation actions, including in various operational programmes and existing tax/subsidy incentives with their costs and benefits. It presents a strategic action plan for policies aimed at enhancing the quality and the synergies between public and private R&D and innovation, as well as tertiary education. This action plan identifies a clear timetable for relevant measures to be taken, taking the budgetary impact into account and harmonising these actions with other relevant initiatives in these areas, in particular the investment law. [Q1-2012]

Better regulation

Legislation is adopted to improve regulatory governance [Q1-2012], covering in particular:

- the principles of better regulation.
- the obligations of the regulator for the fulfilment of those principles.
- the tools of better regulation, including the codification, recast, consolidation, repeal of obsolete legislation, simplification of legislation, screening of the entire body of existing regulation, *ex-ante* and *ex-post* impact assessments and public consultation processes.
- the transposition and implementation of EU law and exclusion of *gold plating*;
- the setting-up of better regulation structures in each ministry as well as the creation of a Central Better Regulation unit.
- the requirement that draft laws and the most important draft legislative acts (Presidential Decrees and Ministerial Decisions) are accompanied by an implementation timetable.
- electronic access to a directory of existing legislation and an annual progress report on Better Regulation.

- the requirement that the government produces an annual plan with measurable targets for administrative burden reduction, deregulation and other policies for the simplification of legislation.

On impact assessments, legislation provides that:

- implementing legislation with potentially large significant impact is also subject to the requirement to produce an impact assessment.
- impact assessments address the competitiveness and other economic effects of legislation by making use of the Commission Impact Assessment guidelines and the OECD Competition Assessment toolkit.
- the Central Better Regulation Unit can seek the opinion of other ministerial departments and independent authorities for regulations that fall under their respective competences so as to improve the quality of impact assessments.
- an independent authority and the Central Better Regulation Unit carry out quality checks of impact assessments; the independent authority also gives an opinion on progress made on the governments' better regulation agenda.
- the Central Better Regulation Unit delivers its opinion on the quality of impact assessments before draft legislation is sent to the Cabinet.
- the Central Better Regulation Unit consults the Hellenic Competition Commission when formulating and drafting the guidelines to be implemented by the ministries' better regulation units.
- impact assessments are published.

Under no circumstances will this law impede the passing of urgent legislation during the duration of the programme.

The Government will set a deadline for the completion of measurements in each of the priority areas, for the identification of proposals to reduce burdens and for the amendment of the regulations. This policy initiative should reduce administrative burdens by 25 percent (compared with the baseline year 2008) in the 13 priority areas. [February 2012]

4.3 To raise the absorption rates of structural and cohesion funds

The Government meets targets for payment claims and major projects in the absorption of EU structural and cohesion funds set down in the table below. Compliance with the targets shall be measured by certified data.

In meeting absorption rate targets, recourse to non-targeted state aid measures is gradually reduced. The Government provides data on expenditure for targeted and non-targeted *de minimis* state aid measures co-financed by the structural funds in 2010 and in 2011. [Q1-2012]

Table 1: Targets for payment claims in the absorption of Structural and Cohesion Funds (programming period 2007-2013) to be submitted through 2013
(EUR million)

| | 2012 | 2013 |
|---|-------------------|--------------|
| European Regional Development Fund (ERDF) and Cohesion Fund | 2,850 | 3,000 |
| European Social Fund (ESF) | 880 | 890 |
| Target of first half of the year | 1,231 (*) | 1,284 |
| Total annual target | 3,730 (**) | 3,890 |
| (*) of which, 5 major project applications | | |
| (**) of which, 15 major projects applications | | |

Legislation is adopted, and immediately implemented, to shorten deadlines and simplify procedures on contract award and land expropriations, including the deadlines needed for the relevant legal proceedings. [Q1 2012]

The Government earmarks amounts to:

- complete unfinished projects included in the 2000-06 operational programme closure documentation (ca. EUR 260 million); [Q2 2012]
- complete the implementation and closure of the 2000-06 cohesion-fund projects; [Q2 2012]
- cover the required national contribution, including non-eligible expenditure (i.e. land acquisitions) in the framework of the 2007-13 operational programmes. [Q2 2012]

The Government identifies the necessary amounts from ERDF within the 2007-13 operational programmes for the first allocation to the guarantee mechanism for small and medium-sized enterprises. [Q1 2012]

The Government ensures that the web-based monitoring tool of procedures for the approval of project proposals and for the implementation of public projects is available to the public by February-2012.

Based on the assessment of the measures adopted since May 2010 to accelerate the absorption of structural and cohesion funds, the Government takes measures to speed up absorption and to simplify project implementation by i) mapping responsibilities and removing unnecessary steps; ii) consolidating management capacities where appropriate (e.g. waste treatment) in accordance with existing management and control systems. [Q2-2012]

To accelerate the absorption of EU financing and following the increase in the EU co-financing rates, Government will, by Q1-2012:

- establish appropriate monitoring tools for priority projects. These projects should be operational by 2015 at the latest.
- report to the Commission the final results of the activation or elimination of sleeping projects (i.e. projects already approved in the operational programmes but not yet contracted within the timeframes defined at the national level). For retained projects, the Government indicates the conditions that must be met to keep the co-financing.
- create a central database monitoring compensation and the time elapsed for the completion of expropriations incurred in the framework of the implementation of projects co-financed by the ERDF and the Cohesion Fund.

4.4 To upgrade the education system

The Government implements the Action Plan for the improvement of the effectiveness and efficiency of the education system and regularly reports (twice a year) on the progress of its implementation, including an indicative planning of self-evaluations and external evaluations of Higher Education institutions in compliance with the new Law 4009/2011 on Higher Education. [Q2-2012]

4.5 To reform the judicial system

To improve the functioning of the judicial system, which is essential for the proper and fair functioning of the economy, and without prejudice to the constitutional principles and the independence of justice, Government:

- ensures effective and timely enforcement of contracts, competition rules and judicial decisions;
- increases efficiency by adopting organisational changes to courts;
- speeds up the administration of justice by eliminating backlog of court cases and by facilitating out-of-court settlement mechanisms.

Specifically, the Government submits the draft law addressing issues of fair trial and denial of justice to the Greek Parliament, which *i.a.* encompasses an amendment of Law 1756/1988 on the organisation of courts and the situation of court officials, and dissuasive measures against non-cooperative debtors in enforcement cases, with a view to having it adopted during the current parliamentary term. [Q1-2012]

The Government establishes a task force, which is broadly representative of the legal community, including but not limited to academia, practising lawyers, in-house lawyers, and lawyers from other EU Member States established or offering their services in Greece, to review the Code of Civil Procedure to bring it in line with international best practice on, *inter alia*, i) judicial case management, including the possibility of removing dormant cases from court registers; ii) relieving judges from non-adjudicatory work, such as pre-mortgaging of immovable property, formation and dissolution of incorporated entities and consensual/non-litigious family law applications, iii) the enforcement of decisions and of orders to pay, in particular small claims cases with a view to reducing the role of the judge in these procedures, and iv) enforcing statutory deadlines for court processes, in particular for injunction procedures and debt enforcement and insolvency cases. For the purposes of this Memorandum, judicial case management shall mean the possibility of judges to be involved early in identifying the principal factual and legal issues in dispute between the parties, require lawyers and litigants to attend pre-hearing conferences and manage the conduct of proceedings and the progression of the case to achieve the earliest and most cost-effective resolution of the dispute. [Q1-2012]

In order to facilitate the work of the existing task force mandated to design a performance and accountability framework for courts, Government will compile and publish the information indicated in Annex 2.

The Government presents a qualitative study on recovery rates in enforcement proceedings, evaluating the success rates and the efficiency of the various modes of enforcement. [Q2-2012]

The Government decides on the date by when it will open the access to the regulated profession of mediator to non-lawyers in line with the conditionality on regulated professions and presents an action plan ensuring that non-lawyers may offer mediation services starting from that date. [Q1-2012]

Following on the submission of the work plan for the reduction of the backlog of tax cases in all administrative tribunals and administrative courts of appeal in January 2012, which provides for intermediate targets for reducing the backlog by at least 50 per cent by end-June 2012, by at least 80 per cent by end-December 2012 and for the full clearance of the backlog by end-July 2013, the Government presents by end-May 2012 and thereafter once a quarter updated and further refined work plans (ensuring that priority is placed on high value tax cases –i.e., exceeding €1 million-) and takes remedial action in case of anticipated or actual deviations.

The task force mandated to review the Code of Civil Procedure to bring it in line with international best practice will prepare a concise concept paper which will identify the core issues and bottlenecks at the pre-trial, trial and enforcement stages of civil cases, examples of which are outlined above, and set out proposed solutions in general terms. [Q2 2012]

As publicly announced, the Government adopts a Presidential Decree providing for the rationalisation and reorganisation of the magistrates' courts and the allocation of appropriate human resources and infrastructure for the new structure of magistrates' courts resulting from this reform. [Q2 2012]

The Government prepares a strategy on the active promotion of pre-trial conciliation, mediation, and arbitration, with a view to ensuring that a significant amount of citizens and businesses make use of these modes of alternative dispute resolution. [Q2-2012]

Starting from end-June 2012, Government updates and further refines every quarter the e-justice work plan of December 2011 for the use of e-registration and e-tracking of the status of individual cases in all courts of the country and for e-filing. The updates will contain deadlines for the evaluation and completion of pilot projects and information regarding the extension of e-registration and e-tracking to all courts by end-2013.

By end-August 2012, Government presents, based on the study of the backlog of non-tax cases in courts conducted jointly with an external body of experts and to be presented by end-June 2012, an action plan with specific measures for a reduction of such backlog of at least 50 per cent by end-July 2013 and starts implementing the action plan.

The Government holds a series of workshops to discuss the findings and recommendations in the concept paper prepared by the task force on the review of the Code of Civil Procedure. These workshops will allow for broad consultation of domestic stakeholders and participation from recognised international experts in the field of civil procedure. [Q3-2012]

The Government conducts an assessment of whether the enactment of Law 3898/2010 on mediation in civil and commercial matters has delivered the results which the legislation had set out to do, and presents data and analysis concerning costs, time and success rates associated with the enforcement of agreements arising from alternative dispute resolution as compared with the enforcement of judicial decisions. [Q4-2012]

The task force on the review of the Code of Civil Procedure prepares a detailed paper outlining the main proposals for amendments to the Code of Civil Procedure. [Q4-2012]

The Government implements the Presidential Decree on the reform of the magistrates' court by creating their new structure, filling vacant positions with graduates from the National School of Judges and redeploying judges and administrative staff on the basis of existing resources available within Greece's judiciary and public administration. [Q4-2012]

The Government launches, jointly with an external body of experts, a study on the costs of civil litigation, its recent increase and its effects on workload of civil courts, with recommendations due by end-December 2013. [Q2-2013]

5 REFORM MONITORING AND TECHNICAL ASSISTANCE

The Ministry of Finance's directorate of planning, management and monitoring becomes operational with the aim of improving reform management and oversight. By **end-March 2012**, it starts publishing quarterly monitoring indicators for each of the key structural reform initiatives.

The Government will request technical assistance to be provided by the EU Member States, the European Commission the IMF or other organisations in priority areas. These technical assistance actions will be coordinated by the Commission's Task Force for Greece according to its mandate. The Greek administration will ensure continuity of technical assistance launched.

Annex 1: Provision of data

During the programme, the following data shall be made available to the European Commission, the ECB and the IMF staff on a regular basis.

These data should be sent to the following e-mail address:

ecfin-greece-data@ec.europa.eu

This address should also be used for the transmission of other data and reports related to the monitoring of the programme.

To be provided by the Ministry of Finance

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| <p>Preliminary monthly data on the state budget execution (including breakdown by main categories of revenue and expenditure and by line ministry).</p> <p>(Data compiled by the Ministry of Finance)</p> | <p>Monthly, 15 days after the end of each month; these data should also be included in subsequent transmissions in case of revision.</p> |
| <p>Updated monthly plans for the state budget execution for the remainder of the year, including breakdown by main categories of revenue and expenditure and by line ministry.</p> <p>(Data compiled by the Ministry of Finance)</p> | <p>Monthly, 30 days after the end of each month.</p> |
| <p>Monthly data on the public wage bill (of general government, including a breakdown in nominal wage and allowances paid to government employees per line ministry and public entity), number of employees (including a breakdown per ministry and public entities outside the central government) and average wage (including the relative shares of the base wage, allowances and bonuses).</p> <p>(Data compiled by the Ministries of Interior and Finance)</p> | <p>Monthly, 30 days after the end of each month (starting in June 2010).</p> |
| <p>Preliminary monthly cash data on general government entities other than the state.</p> <p>(Data compiled by the Ministry of Finance)</p> | <p>Monthly, 30 days after the end of each month, these data should also be included in subsequent transmissions in case of revision.</p> |

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| Monthly data on staff: number of employees, entries, exits, transfers among government entities; and from and into the labour reserve, per entity. <i>(Data compiled by the Ministries of Interior and Finance)</i> | Monthly, 30 days after the end of each month. |
| Weekly information on the Government's cash position with indication of sources and uses as well of number of days covered. <i>(Data compiled by the Ministry of Finance)</i> | Weekly on Friday, reporting on the previous Thursday. |
| Data on below-the-line financing for the general government. <i>(Data compiled by the Ministry of Finance)</i> | Monthly, no later than 15 days after the end of each month; these data should also be included in subsequent transmissions in case of revision. |
| Data on expenditure pending payment (including arrears) of the general government, including the State, local government, social security, hospitals and legal entities. <i>(Data compiled by the Ministry of Finance on the basis of basic data from the several line ministries)</i> | Quarterly, within 55 days after the end of each quarter. |
| Data on use of international assistance loans split among following categories: Financial stability fund, escrow account, debt redemption, interest payments, other fiscal needs, building of cash buffer; per quarter and cumulative | Quarterly, by the end of each quarter. |
| Data on public debt and new guarantees issued by the general government to public enterprises and the private sector. Data on maturing debt (planned redemptions per month, split between short-term (Treasury bills and other short-term debt) and long-term (bonds and other long-term) debt). Data on planned monthly interest outflows. <i>(Data compiled by the Ministry of Finance)</i> | Monthly, within one month. |

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| Data on assets privatised and proceeds collected. <i>(Data compiled by the Ministry of Finance)</i> | Monthly. |
| Data on state-owned enterprises: revenue, costs, payroll, number of employees and liabilities (including maturities of public enterprises' debts) <i>(Data compiled by the Ministry of Finance)</i> | Monthly, within three weeks of the end of each month for the ten largest enterprises. Quarterly within three weeks of the end of each quarter for the other enterprises. Quarterly for the maturities of state-owned enterprises' liabilities. |
| Monthly statement of the transactions through off-budget accounts. <i>(Data compiled by the Ministries of Finance and Education)</i> | Monthly, at the end of each month. |
| Monthly statement of the operations on the special accounts. <i>(Data compiled by the Ministry of Finance)</i> | Monthly, at the end of each month. |
| Report on progress with fulfilment of policy conditionality. <i>(Report prepared by the Ministry of Finance)</i> | Quarterly before the respective review starts. |
| Monthly data on health care expenditure by the social security funds with a lag of three weeks after the end of the respective quarter. <i>(Data compiled by the Ministries of Labour and Health)</i> | Monthly, within three weeks of the end of each month. Starting with data for January 2011 for IKA, OAEE, OGA and OPAD, and from April 2011 on for the other funds |

To be provided by the Bank of Greece

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| Assets and liabilities of the Bank of Greece. | Weekly, next working day. |
| Assets and liabilities of the Greek banking system - aggregate monetary balance sheet of credit institutions. | Monthly, 30 days after the end of each month. |
| Evolution of the external funding provided by Greek banks to their subsidiaries abroad. | Monthly, 15 days after the end of each month. |
| Report on banking sector liquidity situation. | Weekly, next working day. |
| Report on the evolution of financial stability indicators. | Quarterly, 30 days after the publication data of each quarter. |
| Report on results from the regular quarterly solvency assessment exercise. | Quarterly, 15 days after the end of each quarter depending on data availability. |
| Weighted average of Loan-to-value (LTV) ratio for new loans with real estate collateral | Yearly. |

To be provided by the Hellenic Financial Stability Fund

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| Detailed report on the balance sheet of the Financial Stability Fund with indication and explanation of changes in the accounts. | Weekly, next working day. |
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Annex 2: Statistics to be published by the Ministry of Justice or Ministry of Finance

- (a) *by end-March 2012*, for each administrative tribunal, court of appeal and the supreme administrative court:
- (i) the number of judges and administrative staff, with a breakdown for judges working in tax chambers or dealing primarily with tax cases;
 - (ii) the number of all cases;
 - (iii) the number of cases carried over from 2011;
 - (iv) the number of cases filed in the first quarter of 2012;
 - (v) the number of tax cases, with a breakdown according to case value (up to EUR 10 000, EUR 10 001 to EUR 50 000, EUR 50 001 to EUR 100 000, EUR 100 001 to EUR 500 000, and above EUR 500 000);
 - (v) the number of tax cases carried over from 2011;
 - (vi) the number of tax cases filed in the first quarter of 2012;
 - (vii) the recovery rate for all tax cases, which for the purposes of the MoU, shall mean the ratio of the amount collected by the creditor in enforcement proceedings – following the issuance of an enforceable title – to the amount adjudicated by the court.
- (b) *by end-June 2012*, in addition to the information in (a) above, updated as necessary, for each civil court, court of appeal and the supreme civil court:
- (i) the number of judges and administrative staff;
 - (ii) the number of all cases;
 - (iii) the number of cases carried over from 2011;
 - (iv) the number of cases filed in the first two quarters of 2012;
 - (v) the number of dormant cases, i.e. cases pending before the civil courts in which the relevant court's file records that they have been postponed or never received a hearing date and no party activity for receiving a hearing date has taken place for at least 18 months.
- (c) *by end-September 2012*, in addition to the information in (a) and (b) above, updated as necessary, at the first instance and the appeal level:
- (i) the number of corporate insolvency cases;
 - (ii) the average duration of corporate insolvency cases;
 - (iii) the average cost of corporate insolvency cases;
- (d) *by end-December 2012*, quarterly updates of the information in (a) to (c) above.

Abbreviations

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| ASEP | Supreme Council for Staff Selection |
| CPB | Central Purchasing Bodies |
| DEPA | Public Gas Corporation |
| DRG | Diagnostic-Related Group |
| DSO | Distribution System Operator |
| ECB | European Central Bank |
| EEA | European Economic Area |
| EETT | Hellenic Telecommunications and Post Commission |
| EFSS | European Financial Stability Facility |
| EKEVYL | National Centre for Medical Technology |
| ELSTAT | Hellenic Statistical Authority |
| EOF | National Organisation for Medicines |
| EOPYY | National Organisation for the provision of Health services |
| EPY | Health Procurement Commission |
| ERDF | European Regional Development Fund |
| ESA | European System of Accounts |
| ESF | European Social Fund |
| ESY | National Health System |
| EU | European Union |
| GDP | Gross Domestic Product |
| GEMI | General Commercial Registry |
| HRADF | Hellenic Republic Asset Development Fund |
| IDIKA | E-governance of social insurance |
| IMF | International Monetary Fund |
| KTEL | Joint Fund for Bus Receipts |
| LNG | Liquefied Natural Gas |
| LTV | Loan-to-value |
| MEFP | Memorandum of Economic and Financial Policies |
| MTFS | Medium-Term Fiscal Strategy |
| NHS | National Health System |
| OASA | Athens Urban Transport Organisation |
| OECD | Organisation for Economic Cooperation and Development |
| OGA | Agricultural Insurance Organisation |
| OSE | Railway Organisation of Greece |
| OTE | Hellenic Telecommunication Company |
| PPC | Public Power Corporation |
| PSC | Point of Single Contact |
| PSC | Point of Single Contact |
| RAE | Regulatory Authority for Energy |
| RSPP | Radio Spectrum Policy Programme |
| SPA | Single Payment Authority |
| SPPA | Single Public Procurement Authority |
| TAP | trans-Adriatic pipeline |
| TEN-T | Trans European Transport network |
| TSO | Transmission System Operator |
| WHO | World Health Organisation |