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One year of Task Force for Greece

One year ago, the Task Force for Greece (TFGR) started its operation of supporting the Greek administration in identifying and providing technical assistance (TA) for the country's reform process. On 12th October 2011, the TFGR's first high-level coordination meeting brought together around 100 representatives of the Greek administration, possible providers of TA¹ and Commission services in Brussels, to coordinate the international support for structural reforms in Greece.

Since then, the Task Force has developed a comprehensive technical assistance programme in ten policy domains with the support of these providers of technical assistance. The Task Force organises the delivery of technical assistance to support a wide range of structural reforms to be implemented by the Greek government. The technical assistance provided by the Task Force is a resource available to the Greek authorities, as they seek to strengthen their public administration, modernise their regulatory system and lay the foundations for a new growth model based on enterprise and investment.

Following a temporary slow-down during the two election periods before summer, the new government has intensified its efforts in a number of reform areas and the Task Force has now become a solid platform for mobilising technical assistance.

During the first months of operation, the Task Force led an EU-wide effort to identify, together with Greece, the main challenges in implementing reforms for which technical assistance would be needed. Particular efforts were made by domain leaders, which are often Member States assisting Greece in defining concrete road maps for reform. Road maps are then translated into operational projects that the Greek authorities have committed to implement. The main areas are the reform of the public administration, tax administration and public financial management, anti-corruption and judicial reform, the health sector, access to finance for Greek business, and the improvement of the business environment.

By now, around 20 Member States are actively involved in providing technical assistance to Greece; 8 of them are also supporting the work through long-term secondment of experts from their national administrations to the Task Force based in Brussels and Athens.

¹ EU Member States, EFTA EEA states, European and international organisations such as the EIB, EIF, OECD, ILO, Council of Europe, IMF, UNECE and the World Bank.

Examples of the TA so far

Today, the Task Force coordinates an extensive portfolio of technical assistance projects covering 10 policy domains. These are (1) acceleration of cohesion policy projects; (2) access to finance/financial sector; (3) reform of the public administration; (4) budget and taxation including tax administration, public financial management, and anti-money-laundering; (5) anti-corruption; (6) business environment; (7) public health; (8) reform of the judicial system; (9) migration, asylum and borders; (10) labour market and social security.

First discussions on the provision of technical assistance for the privatisation programme are starting, regarding the development of a regulatory framework for the infrastructure needed to facilitate privatisation.

More detailed information on the state of play in different areas of technical assistance is set out below:

Administrative reform and eGovernment

Administrative reform aims at achieving sustainable changes in Greece. Reforms at central, decentralised, regional or local levels of the public administration are expected to produce direct, or indirect, effects in a number of areas including simplification, less bureaucracy, more efficiency, effectiveness, coordination, accountability, integrity and staff motivation. Progress has been achieved by mobilising high level experts from a number of Member States to support the efforts and the process.

Administrative reform

A specific trilateral "Memorandum of Understanding" between Greece, France and the Task Force has paved the way for the implementation of central administrative reform. This agreement included a road map on the main steps and responsibilities and timing for delivering the reform. A similar agreement was signed between Greece, Germany, and the Task Force in April 2012 for administrative reform regarding the local and regional dimension.

Good cooperation with the Greek authorities has enabled significant progress. A High-Level Transformation Steering Group under the Prime Minister's authority was created, which will supervise the reform. The principles of an inter-ministerial coordination structure were also agreed by the Prime Minister's office and next steps have to be established for full implementation at the beginning of next year. Good progress is also expected in the re-organization of the Greek Ministries towards improved efficiency, with the assistance and examples from several Member States. The recently-launched evaluation process takes into account the budgetary and staffing constraints of the Greek administration and the medium-term budgetary plans. Additional work has started on a methodology and criteria for the evaluation of staff competences.

In the regional and local dimension, action plans are under development. They will cover different pillars under the governance structure, the transfer of new powers as well as the use of existing powers, the management of local government property, the strengthening of the capacity of local government for operational planning and elaboration and implementation of investment programmes (including through the use of structural funds), as well as human resources, financial management and e-governance, and some issues of multi-level governance.

eGovernment

On eGovernment, several Member States have provided assistance to the Greek authorities to improve the Greek Information Communications Technology (ICT) strategy and management structure. The aim is to define and successfully implement eGovernment solutions in Greece, taking into account important issues such as costing, scope and timing. Assistance is also being provided in specific ICT projects, such as ePrescriptions, financial IT systems and eJustice.

Cohesion Policy funds

One of the objectives of the Task Force is to help accelerate expenditure and optimise the use of just over €20 billion of EU cohesion policy funds to support growth and employment, notably through the European Regional Development Fund (ERDF) and the European Social Fund (ESF). This work is crucial to increase investment and boost growth in the short and long-term.

In this area, Task Force assistance has focused on:

Simplification of procedures so that projects can be approved, implemented and paid more quickly. Major changes have been made in shortening general timescales, but significant changes are still needed in the length of time it takes to pay projects, and in reducing the level of checks, without jeopardising sound financial management.

Providing technical assistance for specific projects, or groups of project, amongst the 181 high impact "priority projects", which represent a small proportion of the total number of projects, but 56% of the total available funding. These projects are subject to intensive monitoring by the Greek authorities and where obstacles (project specific or horizontal) cannot be removed through Greek resources, the Task Force is invited to provide support or make proposals. Unlike some other aspects of the Task Force's work, most of the assistance has, so far, been provided by the Taskforce's own experts, who have assisted with projects related to highway concessions, waste management, transport and energy and have now built the capacity to assist in all key sectors. Where required, Member State experts have also been deployed to provide assistance, principally in the development of a social economy, the modernisation of the public employment service, and some specific technical support related to waste management.

Access to finance

Injecting liquidity into the real economy through financial engineering, where the Task Force has been involved in a number of activities. An instrument has been developed to guarantee bank lending to small and medium-sized businesses. The negotiations with the European Investment Bank were supported and the existing Greek promotional instruments were intensively monitored.

In addition, Greece asked an international committee to examine the opportunity to create an Institution for Growth in Greece, aimed at providing financing for the Greek economy, including potential areas of activity such as: small and medium-sized businesses, infrastructure, municipal project financing. As a member, the Task Force participates in the work of the international, preparatory committee and provides know-how and contacts. The committee presented its proposal to the Greek Government at the beginning of October 2012 and advised to proceed to a second stage analysis that would be carried out by an international consultancy firm.

Public Financial Management and Tax Administration

In these areas, the Task Force has joined forces with the International Monetary Fund's Fiscal Affairs Department, which has been providing technical assistance to Greece since spring 2010.

In the area of **Tax Administration**, The Task Force for Greece, the European Commission's Directorate-General for Taxation and Customs Union and the International Monetary Fund (IMF) regularly follow up the overall reform strategy implemented by the Greek authorities in all relevant institutional, organisational and legislative areas. This is done in addition to the daily support provided by the European Commission and IMF resident advisors to the General Secretariat for Tax and Customs. With the help of Member State experts, operational training based on real cases is organised in the areas of audit methods for higher taxpayers, indirect audit methods applied to high wealth individuals and high income self-employed. Technical assistance is also provided for the collection of large tax debts, for the set-up of an automated reminder system for debt collection and the implementation of a debt collection call centre.

In the area of **Public Financial Management**, IMF-EU assistance has been instrumental in helping Greece to modernise its overall Public Financial Management framework. One clear area of success is fiscal reporting, where Greece now monitors general government budget execution on a monthly basis, i.e. on a more regular basis than almost all other EU Member States. The budget preparation framework and the expenditure controls have also been enhanced. Furthermore, the IMF and the Task Force are currently providing technical assistance to the Greek Ministry of Finance (together with the Ministry for Administrative Reform and eGovernment) in modernising financial IT systems.

Anti-Money Laundering

Since the start of the implementation of road map on Anti Money Laundering (AML) in April, coordination meetings have taken place every two weeks with representatives from the Financial Intelligence Unit (FIU), the Tax authorities, the Bank of Greece, the Public Prosecutor, the SDOE (fiscal police), the Financial Economic Police and the Ministry of Finance. This coordination mechanism is monitoring the implementation of the road map. So far, guidance on suspicious reporting related to tax has been provided to the financial sector. A tactical analytical course has been organised for the FIU in particular to make sure that these suspicious reports are carefully analysed and, if necessary, reported to the Tax Authorities and SDOE. As a next step, it is very important that these reports are followed by investigations by the tax authorities and the SDOE, followed by information on an appropriate time for the FIU to use their very effective freezing power.

In June, the first 40 financial investigators from 5 different organisations were trained in AML awareness and techniques. Additional training activities and on-the-job training will follow on a monthly basis. To boost the efficient exchange of information between relevant agencies and the financial sector, a project has started to look at the possibilities for an indirect registry of bank accounts with a view to implementing this before end of 2012. Indirect in this context means that there will not be a central database of bank accounts but a regulated process to quickly receive information on balances and transactions of bank accounts.

Anti-Corruption

An action plan has been agreed between the several agencies in Greece that have a role in preventing, detecting and prosecuting corruption. The necessary political commitment needs to be achieved in the near future. Promising discussions are continuing at ministerial level. The two most important elements are a quick set up of an overall national strategy against corruption and the political appointment of a national coordinator, sufficiently supported and powerful to be able to implement this national strategy and a road map describing detailed measures that should be considered and swiftly implemented.

Hellenic Court of Audit

At the beginning of July the road map for the Hellenic Court of Audit (HCA) was agreed. Implementation has recently started and focuses on three goals: 1) strengthening the relations of the HCA with the Greek Parliament and other relevant stakeholders 2) preparation and implementation of an annual audit program and 3) building financial audit capacity through pilot audits.

Immigration and Asylum

The Task Force has been assisting the Greek authorities in implementing the Greek Action Plan on migration and asylum, agreed between the Commission and the Greek administration in 2010. The Task Force mainly provided technical assistance to improve absorption of the European "Solidarity and migration funds" in line with the objectives of the Action Plan. The Task Force has been providing hands-on technical assistance by helping in facilitating the coordination between the Ministries involved in the reforms to rationalise policy, budgetary and public administration objectives. It also helped in streamlining requests for assistance from Greece to the European Agency Frontex, the European Asylum Service and to Member States in close cooperation with other Commission services.

Healthcare reform

A high proportion of public expenditure is spent on healthcare in Greece, as in most EU Member States. However, the efficiency of the Greek health system can be improved. Healthcare reform is crucial for both fiscal consolidation and public welfare.

Greece has signed a Memorandum of Understanding with Germany (February 2012) and, in the context of the 'Health in action' agenda, established a Health Reform Steering Committee (September 2012) to supervise, coordinate and monitor reform in the management of the national organisation for healthcare (EOPYY), pharmaceutical policy, hospital management, primary health care and health tourism.

Co-operation and expertise provided by Member States to assess the current situation is ongoing with EOPYY, Diagnostic Related Groups and ePrescriptions. The aim is to identify existing challenges and provide suggestions for improvements. The Task Force is closely involved in the efforts of the Greek authorities to design a coherent system of pricing and reimbursement of pharmaceuticals on the basis of commitments in the Memorandum of Understanding, including bench-marking pharmaceutical prices and taking into account other Member States experience.

Business environment

The Greek authorities are now making greater use of technical assistance as they prepare a coherent programme of simplification of exports and customs formalities. Promising work is underway on the preparation of a road map for export promotion. The Task Force has contributed to the preparation of legislative reforms for the Code of Books and Records (tax record-keeping). A number of small-scale actions to strengthen administrative capacity in public procurement are in the pipeline. Initial contacts in respect of investment licensing (operational and environmental permits) have begun.

Background

On 20 July 2011, at the request of the Greek Prime Minister, President Barroso established the Task Force to provide technical assistance (TA) to Greece. This initiative was strongly supported by the European Council (meeting on 21 July 2011) which declared that "...Member States and the Commission will immediately mobilize all resources necessary in order to provide exceptional technical assistance to help Greece implement its reforms..."

The Task Force for Greece started operating in September 2011 with a mandate to identify and coordinate the technical assistance Greece needs to deliver commitments that it has undertaken in its economic adjustment programmes. It also assists Greece in the acceleration of the absorption of EU funds in order to sustain economic growth, competitiveness and employment.

The Task Force reports to President Barroso and works under the political guidance of Vice President Olli Rehn. The Task Force has assisted the Greek authorities with the supervision and monitoring of all agreed technical assistance projects, and reports on the progress or encountered challenges to the Commission and Member States, including through regular reports. So far two reports have been delivered; the next report is currently under preparation. More detailed information on the work of the Task Force is available here:

http://ec.europa.eu/commission_2010-2014/president/taskforce-greece/index_en.htm

Following a request from the European Council in spring 2012, the Task Force is expanding. It currently consists of around 55 members of staff – mainly European Commission officials and seconded National Experts from the Member States (UK, AT, BE, SV, CZ, FR(2), DE(2) and NL(2)) - of which 30 work at the headquarters in Brussels and 25 in the Athens office. Of the national experts 7 are based in Brussels and 4 in Athens. The Athens office is managed by Ms Georgette Lalis (Director from the European Commission).

The work of the Task Force is supported by EU Member States, European and international organisations (IMF, OECD, ILO, UNECE; discussions with the EBRD and the World Bank on their involvement have started recently) and a number of European Commission services. The circle of technical assistance providers has expanded well. Currently, 19 Member States (AT, BE, BU, CY, DA, EST, FI, FR, DE, IE, IT, NL, PL, PT, SL, ES, SV, UK) and Norway (a EEA and EFTA member) provide their expertise in different areas of technical assistance. A number of other Member States have offered their support, which will get underway once the respective areas of expertise are needed.

The matching of technical assistance supply and demand is organised through quarterly high-level coordination meetings, organised by the Task Force ,involving the Greek authorities, providers of technical assistance and Commission services. The latest meetings took place on 4th October.

See also:

- [MEMO/12/184](#):

- [IP/11/1360](#):

- Quarterly reports of the TFGR:

First quarterly report published on November 2011:

http://ec.europa.eu/commission_2010-2014/president/news/speeches-statements/pdf/20111117_1_en.pdf

Second quarterly report published on March 2012:

http://ec.europa.eu/commission_2010-2014/president/news/speeches-statements/pdf/gr_march2012_en.pdf