



HELLENIC REPUBLIC



MINISTRY OF ECONOMY AND FINANCE

ADDENDUM TO THE 2008 UPDATE OF THE HELLENIC STABILITY AND GROWTH PROGRAMME 2008 - 2011

February 2009

This update of Greece's Stability and Growth Programme has been submitted to the European Commission in accordance with Article 4 of the European Council Regulation 1466/97.

The programme can be found on the Ministry's web site: <http://www.mnec.gr>

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1 Introduction

Further to the 2008 Update of the Stability and Growth Programme (SGP) already conveyed to the Commission Services, this Addendum aims at:

- Elaborating on measures, especially on the expenditure side, which are already listed in the aforementioned Update.
- Explaining the changes in measures on the revenue which were deemed necessary and which were announced at the Press Conference by the Minister of Economy and Finance on February the 5th.
- Providing some explanatory information on measures already announced or envisaged in response to the economic crisis.

Also, the Executive Summary of the Edition “Program Budgeting 2009” is annexed to this Addendum, in response to the requirement of the code of conduct to include information on institutional changes. As already stated in the Update of the SGP, Program budgeting is a very significant institutional reform, allowing, *inter alia*, for multi-annual fiscal programming and the evaluation of public expenditure on a totally different basis than in the past.

It is very important to underline that information included in this Addendum does not in any way modify the fiscal targets as stated in the Update of the SGP. Measures on the revenue side are in a broad sense either mutually compensating or almost fiscally neutral, while measures on the expenditure side could provide additional room for manoeuvre in 2009 in the case either the external environment or domestic developments deteriorate compared to current expectations and forecasts. For 2010 and 2011, these measures underpin the fiscal adjustment process.

2 Measures on the revenue side

The government has decided to abolish the new tax bracket for self-employed persons and professionals introduced in September last year. Thus, the tax-free threshold for income up to € 10,500 is restored. The rationale for this change is that the government recognizes the difficulties faced by the self-employed at this difficult economic juncture.

In order to compensate for the relevant loss in revenue, the excise tax on cigarettes and alcoholic beverages is increased. More specifically, the rate of the minimum excise tax (MET) on cigarettes is raised to 80% (up from 75%), while the excise tax rate on alcoholic beverages and beer is increased by 20%. In order to calculate the impact of the MET increase on revenue, one should take into account that, by analysing market data, price increases are expected almost across the board and not only in the lower segment of the market.

Regarding the unified property tax (ETAK), the government is introducing changes in order to facilitate the implementation of the system and render it more simple and fair while ensuring timely revenue collection. A tax-free threshold is introduced at €200,000 for married couples, families up to two children and single-parent families to reach €230,000 for families with three or more children (for single persons, the tax threshold is set at €100,000). For properties exceeding the relevant thresholds, tax is levied at the current rate (1‰).

Apart from the overall simplification of the system, through this modification, a serious problem in its implementation is tackled; namely, the need to identify the primary residence for every household / family. On the other hand, the system becomes fairer in the sense that the tax-free threshold is calculated based on objective values rather than square meters, while all property items are added up (previously, only the primary residence was tax exempt).

The aforementioned changes do not alter the revenue forecasts of the government from this tax item; furthermore, using a thorough cross-checking procedure, legal entities which avoided the payment of the property tax in 2008 are currently being identified. This could yield incremental revenue or cover currently unforeseen minor shortfalls from the change of the system.

Regarding the introduction of a system for the objective determination of taxable income, this is postponed by one year and will be applied for income earned during 2009. A better preparation of the system was deemed necessary but, in any case, no revenue increase from this source had been projected in the State Budget or in the 2008 Update of the SGP.

3 Measures on the expenditure side

Measures to contain expenditure are already described in the 2008 Update of the SGP. More details on some of them have been publicly announced by the Minister of Economy and Finance. More specifically:

- A numerical rule is introduced for elastic expenditure items; more specifically a 10% “haircut” is imposed. In defining “elastic expenditure”, only specific items such salaries and social security contributions will be excluded. Particular emphasis will be placed on reducing, among others, the cost of travel expenses, overtime, remuneration for the participation in committees and public relations expenses. The implementation of this measure is estimated to result to total savings in the order of € 500 mio.
- A 10% reduction is imposed on expenditure for fixed-term contracts and contracts for specific purposes in the public sector for the current year.
- A ceiling is imposed on the salaries paid to the Chairman or the Managing Director of public sector entities. This upper limit will be equal to the salary of the Secretary General of Ministries. In parallel, the positions of the Chairman and the Managing Director of public entities are consolidated (with only a few exceptions if this is not feasible). Furthermore, the Boards of Directors in these entities will not include more than nine persons.

As already stated, savings from measures on the expenditure side have not been included in the government’s fiscal projections; however, these savings will be used to cushion against potential adverse developments so that the targets included in the Update of the SGP are fully met in 2009 while underpinning the fiscal adjustment in the outer years of the Programme.

4 Measures in response to the crisis

The European Council of 11 and 12 December agreed on a European Economic Recovery Plan to boost economic activity by means of timely, targeted and temporary budgetary interventions, and appropriately designed structural reforms which will enhance the growth potential and the adjustment capacity of the European economy.

This part of the Addendum describes the fiscal policy and structural reform measures taken or envisaged by the Greek government in the spirit of the European Economic Recovery Plan (EERP). However, it should be stressed that the budgetary impact of all the measures presented here are fully reflected in the Stability Programme already submitted to the Commission services, while some of them were also included in the 2009 State Budget (e.g., these related to the National Social Security Fund).

In the spirit of the European Economic Recovery Plan and the Greek government's medium term agenda under the Lisbon Strategy a description is provided for the measures taken or planned to strengthen domestic demand by alleviating the effects of the economic crisis on low income households and by supporting business activity. Moreover, particular emphasis is placed on structural reforms which can contribute to improving the resilience and the long term prospects of the Greek economy. The measures planned or taken are summarized in Table 1.

In particular, the government has announced the provision of ad hoc social cohesion and housing benefits targeted to low income pensioners and unemployed in the context of the National Social Cohesion Fund, as well as the doubling of Christmas bonus for the registered unemployed. These are timely, targeted and temporary measures which aim at supporting low income households' purchasing power. Given the higher propensity to consumer of these households, most of this income support is expected to bolster domestic demand and economic activity.

In line with its medium term strategy to boost labour supply and labour demand, to promote business and investment activity, to address competitiveness problems and to establish a simplified and growth friendly tax code, the government is putting in place a phased income and corporate tax rate reduction. According to this, the income tax rate will be reduced to 20% by 2014 and the same holds for the corporate tax rate. The implementation of these across-the-board measures will generate positive effects not only in the medium to long term, but also in the short term by supporting households' purchasing power and supporting business activity, thereby stimulating the economy.

Moreover, the Greek government is taking actions to alleviate the financing constraints of SMEs, by means of providing 3-year loan guarantees, thus supporting employment and business activity. A series of new measures have been announced aiming at supporting the tourism sector, which is one of the most important sectors in

the Greek economy both in terms of employment and contribution to GDP. These measures pertain to the reduction of the property tax rate, the postponement for one year of the payments to banks on all loans, and the reduction in the duty paid to local authorities.

The government is placing particular emphasis on accelerating structural reforms via active labour market policies targeted on women, young people and older workers, which facilitate labour market transition by better training, job placement and job search and, consequently, contribute to the good functioning of labour markets and to sustaining employment. Last but not least, the announced measures involve additional investment in research and innovation infrastructure, thus accelerating investment activity, innovation and R&D, addressing competitiveness problems and sustaining aggregate demand and employment.

Table 1: Fiscal and structural reform measures in the spirit of the EERP

Measure - title of the measure (package) - status of the measure (undertaken, presented, announced)	(Planned) date of adoption	Description of the measure Describe verbally the magnitude and timing of the fiscal measure (i.e. beginning and, for temporary measures, the end date), its purpose (e.g. increase resilience, support aggregate demand, facilitate adaption to job losses)	Direct budgetary impact (in % of GDP)				
			2008	2009	2010	...	Final prog. year
Ad hoc Social Cohesion Benefit. (National Fund for Social Cohesion) -announced/presented	Brought into Parliament 22-1-2009	Ad hoc Social cohesion benefit, varying between 100 and 200 euros according to region. Eligibility is restricted to pensioners of the farmers' fund OGA, low income pensioners entitled to the EKAS benefit and registered unemployed. This measure is implemented through the National Fund for Social Cohesion Aim: income support targeted to low income households (with high propensity to consume, raising thus domestic demand).					
Ad hoc housing benefit (National Fund for Social Cohesion) -announced/presented		Ad hoc housing benefit in the amount of 500 euros. Eligibility is restricted to persons entitled to the EKAS benefit and to registered unemployed on mortgage (housing loan taken before 2009). This measure is implemented through the National Fund for Social Cohesion. Aim: income support targeted to low income households (with high propensity to consume, raising					

		thus domestic demand).					
Ad hoc increase in Christmas bonus. -undertaken		Twofold increase in the Christmas bonus for 300,000 registered unemployed. Aim: income support targeted to low income households (with high propensity to consume, raising thus domestic demand).					
Income tax reduction (Law 3522/2006) -undertaken		Phased income tax rate reduction from 25% to 20% by 2014. Aim: Enhance consumers' disposable income (raising thus domestic demand).					
Corporate tax reduction -undertaken		Phased reduction in the corporate tax rate for domestic and foreign limited liability SA companies, including co-operatives, public and municipal enterprises from 25% in 2008 to 20% by 2014. Aim: Support the industrial sectors, business and companies. Boost investment activity and enhance competitiveness.					
Credit (loan) Guarantee to SMEs -undertaken		A new programme has been initiated through the Credit Guarantee Fund for Small and Very Small Enterprises, providing 3-year guarantees and subsidizing interest payments for loans up to 350,000 euros. Aim: Support SMEs, enhance investment activity and competitiveness.					

Property Tax measures in favour of the tourism sector.		<p>Reduction in the property tax rate (ETAK) for businesses in tourism to 0.00033 from 1% in the value of the building and 6% in the value of the land for the years 2009 and 2010.</p> <p>Aim: Support tourism, SMEs and enhance competitiveness.</p>					
Tourism support measures		<p>Postponing for 1 year the payments to banks provided by Law 128/75 on all loans taken up by businesses in tourism.</p> <p>Aim: Support tourism, SMEs and enhance competitiveness.</p>					
Tourism support measures		<p>Reduction in the duty paid to local authorities by tourism enterprises from 2% to 0.5%.</p> <p>Aim: Support tourism, SMEs and enhance competitiveness.</p>					
Active Labour Market Policies (Women)		<p>ALMPs for Women: Job-placement subsidy schemes, combined with targeted training for acquiring work experience. Measures promoting female involvement in SMEs (either as entrepreneurs or as employees) and actions addressing the difficulties faced by women entrepreneurs regarding fund raising and access to credit. Provision of counseling and professional legal services.</p> <p>Aim: Support the good functioning of the labour</p>					

		market, easing labour market restrictions. Sustain employment.					
Active Labour Market Policies (young people)		ALMPs for young people. Subsidization of new professionals aged 22-32 years, under the programme YOUTH & BUSINESS. Innovative business ideas and new technologies are given priority while all young persons are envisaged to attend special seminars on business skills. The programme provides also for the development of networks for the diffusion of information among young entrepreneurs. Aim: Support the good functioning of the labour market, easing labour market restrictions. Sustain employment.					
Active Labour Market Policies (older workers)		ALMPs for older workers. Job-placement subsidy schemes, combined with targeted training for acquiring work experience. General provision of increased subsidization for older workers (over 50 yrs old) in all OAED programmes and interventions at the local level. Continued vocational training, combined with skills certification and job placement in related fields. Aim: Support the good functioning of the labour market, easing labour market restrictions. Sustain employment.					
Support Research and Innovation activities		Investment in research and innovation infrastructure: Development of Regional Innovation Poles, Innovation Zone in Thessaloniki, Technology Clusters and subsidization of spin-off companies. Aim: Support investment activity, R&D and innovation					

		and enhance competitiveness.					
Support entrepreneurial activity (announced)		New tax bracket for self-employed and professional abolished					

5 ANNEX



HELLENIC REPUBLIC



MINISTRY OF ECONOMY AND FINANCE

State Budget

Executive Summary

2009

Program

Budgeting 2009

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INTRODUCTION

The constant progress in the field of public finance management, on the European and global level, make the adoption of modern fiscal tools necessary for countries. The difficult present international economic situation makes the need for fiscal information of high quality even more intense and a prerequisite for the efficient and effective management of the limited available resources.

One of the main priorities for the Greek Ministry of Economy and Finance is the alignment of fiscal management with international practices, through the procedure of the State's Budget system reform and the modernization of the accounting system of central government (ministries and regions). A basic target of this reform is the rationalization of public expenditure and the minimization of those with low efficiency, with simultaneous improvement of the quality and quantity of products and services, which are offered to the citizens.

In this context and following last year's work, a special edition "Program Budgeting 2009", which accompanies the Budget of the same year, is presented.

The advantages from the introduction of the new fiscal tool, program - performance budgeting, are presented in this special edition and the main goal of the fiscal reform - the evaluation of state actions' performance - is highlighted.

Moreover, there is an initial presentation of the modernization of the accounting system of central government, which will contribute to the transparency of public finance, to the accountability of the agencies, to the empowerment of decision making in order to take full advantage of the available resources and control public management effectively.

The Ministry of Economy and Finance, in cooperation with all the involved parties, aims at the formulation of the appropriate framework, in order for the program - performance budgeting to be implemented for the central government (ministries and regions) in 2012.

November 2008

1. PROGRAM BUDGETING

The majority of the OECD member – countries have already introduced performance budgeting, in order to enhance the performance of financed policies and emphasize the evaluation of the state actions' results. This form of budget offers information of higher quality, which are based on functional classification. The Ministry of Finance has a strategic role in the fiscal process, determining the general framework. The line Ministries acquire more responsibilities and flexibility in the allocation of their resources. The Ministries are accountable for the rational and effective management of their resources.

The will for the introduction of program budgeting in Greece was stated for the first time in the Budget Introductory Report of 2006. The International Monetary Fund's report "Strategy for the modernization of the budget management in Greece" (2005) was the basis for decision making.

In 2006, the Ministry of Economy and Finance took concrete action towards the fiscal reform, with the establishment of two new units in the General Accounting Office, regarding the budget reform and the modernization of the accounting system of the central government.

2007 was the first year of operation of the two units. During this year, the National Plan of Programs 2008 and the special edition "Program Budgeting 2008" were formulated, presenting the characteristics of the new system and the first steps of the reform efforts.

In 2008 the following steps were taken:

- Conferences and meetings were organized, in order to inform the competent agencies for the reform of the budget system and the characteristics of program - performance budgeting.
- The configuration of functional classification of the 2009 Budget was fully developed in a pilot form. The Ministry of Economy and Finance in collaboration with the competent departments of the agencies prepared the Plan of Programs and Actions for all the Ministries. Additionally, the agencies further analysed their actions in sub actions, wherever this was considered necessary for the complete presentation of their activities.
- The first steps towards the introduction of the concept of evaluation in the budget process took place. The agencies of the central government, in cooperation with the General Accounting Office, were asked to define their main targets in the level of programs and actions and propose indicators concerning their results.
- The drawing of the Integrated Information System of Fiscal Policy continued. This system will support, among the other operations of the General Accounting Office, the program budgeting and the new accounting system.
- The cooperation with OECD concerning program budgeting continued.

➤ The National Plan of Programs of 2009 (NPP 2009) was fully developed (12 Functions, 80 Programs, 710 Actions).

In order for the NPP to be developed, the Ministry of Economy and Finance cooperated with the respective departments of the agencies. Each Action is the responsibility of only one Ministry, in order to make clear who is accountable for its results. However, this is not the case with Functions and Programs which are multiministerial.

Each Action has been fully matched with the present line item classification of the budget, in order to make the support by the information system possible and the transition to performance budgeting as smooth as possible. This matching however, creates several restrictions which do not allow full development of the Actions.

In box 1.1, there is a comparison between the current and the program budgeting system.

In program budgeting, there are three **classifications**. The most important is the functional one, which is accompanied by the economic and organizational. **Functional** classification includes the levels of Functions, Programs, Actions and sub actions which could be formulated by the agencies. The **economic** classification which is the accounting classification, in accordance with the new accounting system, will provide detailed information for every expenditure category. Every Action, is matched with specific categories of expenditure, which are specified in first degree accounts (which are presented in the budget). Finally, in the **organizational** classification, for every action in the budget level, the agency which bears the responsibility is defined.

Targets for 2009

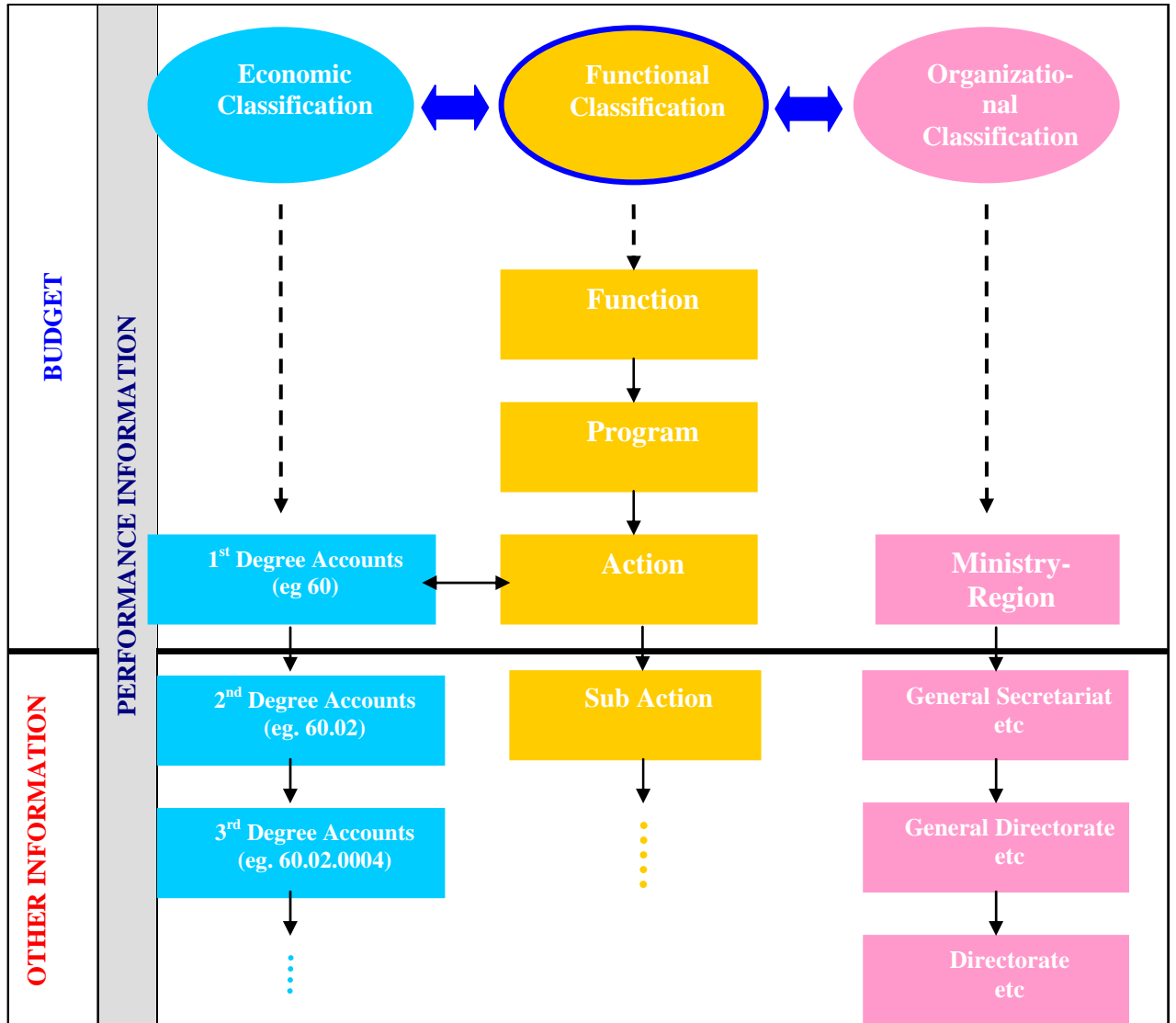
In order to make the application of program – performance budgeting possible, several further steps must be taken. The Ministry of Economy and Finance is determined to continue the effort of reforming the process with which the State Budget is prepared and implemented.

The steps for the transition to program budgeting for 2009 are :

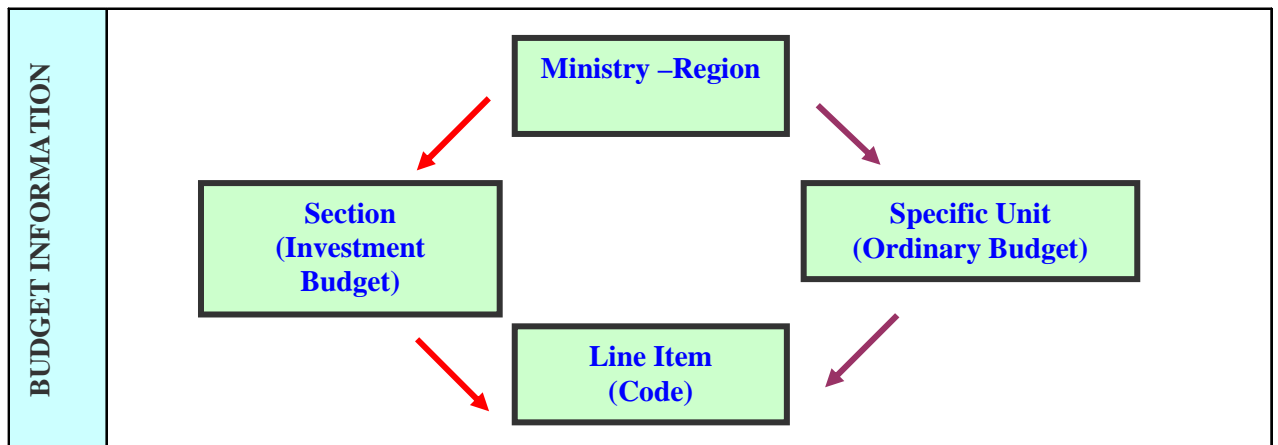
- Top – down budgeting for 2010.
- Reform of the legal framework.
- Improvement of the budget classification (ordinary and investment budget).
- Parallel program budget submission for the fiscal year 2010 by selected agencies (pilots).
- Communication and training activities.

Box 1.1 Comparison of current budgeting system and program budgeting

PROGRAM BUDGETING



CURRENT BUDGETING SYSTEM



National Plan of Programs (NPP) 2009 Tables and Charts

Regarding budget expenditure, twelve (12) functions were developed, consisting of eighty (80) programs and seven hundred and ten (710) actions. The programs were developed taking into consideration the purpose of the financed policy. In NPP 2009 there is a single presentation of the ordinary budget and the public investment budget.

In table 1.1 the detailed NPP 2009 per function is presented.

In table 1.2 the detailed NPP 2009 (functions – programs) is presented.

In table 1.3 the functions, in which each Ministry is involved, are presented.

In table 1.4 the Ministries involved in each function are presented.

In table 1.5 an analysis of the expenditure per function – program is presented (functional and economic classification).

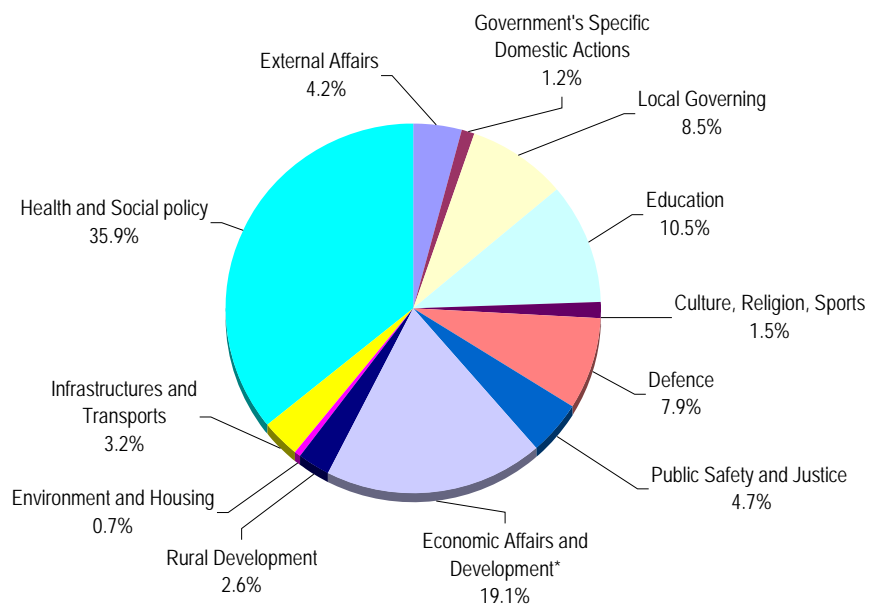
Also, charts 1.1, 1.2, 1.3 show the composition of government expenditure in several forms.

Table 1.1 National Plan of Programs (NPP) 2009 per function
(thousand euros)

Code	Functions	Budget 2009			Participation as a % of total	% GDP
		Ordinary budget	Investment budget	Total		
01	External affairs	3,273,260	65,000	3,338,260	4.2	1.3
02	Government's specific domestic actions	789,863	184,000	973,863	1.2	0.4
03	Local governing	4,284,232	2,453,000	6,737,232	8.5	2.6
04	Education	7,049,698	1,205,000	8,254,698	10.5	3.2
05	Culture, religion, sports	886,366	253,000	1,139,366	1.5	0.4
06	Defence	6,216,366	25,000	6,241,366	7.9	2.4
07	Public safety and justice	3,562,924	116,000	3,678,924	4.7	1.4
08	Economic affairs and development*	13,758,213	1,311,000	15,069,213	19.1	5.8
(08.03)	Interest and other expenses	(12,000,000)	(0)	(12,000,000)	(15.2)	(4.6)
09	Rural development	1,463,739	610,000	2,073,739	2.6	0.8
10	Environment and housing	75,757	503,000	578,757	0.7	0.2
11	Infrastructure and transports	682,929	1,880,000	2,562,929	3.2	1.0
12	Health and social policy	28,193,653	195,000	28,388,653	35.9	10.9
Total Expenditure (01 - 12)		70,237,000	8,800,000	79,037,000	100.0	30.4
Gross Domestic Product (GDP)						260,248,000

* In this table, in the Function 08 "Economic affairs and development" the amortization payments for service of the public debt in the total amount of 29,129,000 thousands euros, are not included.

Chart 1.1 Composition of State Budget 2009 expenditure (minus amortization payments)



* including interest payments

Chart 1.2 Composition of State Budget 2009 expenditure (minus public debt expenditure)

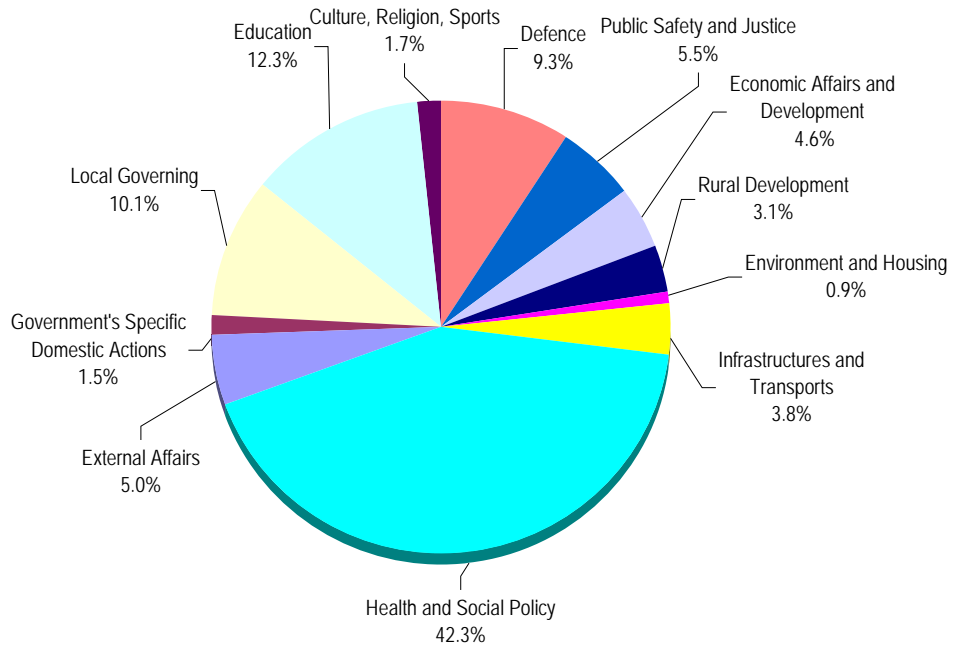
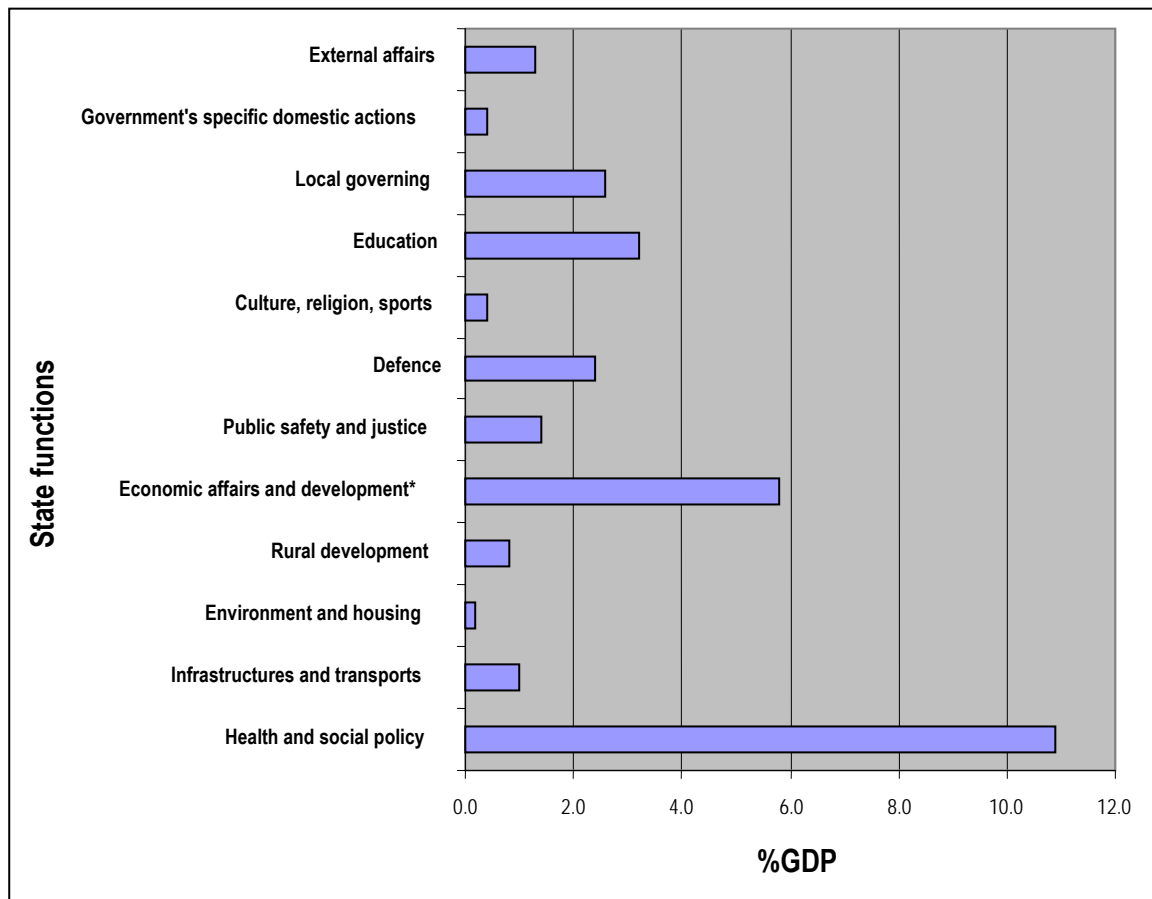


Chart 1.3 State budget expenditure of 2009 as % of GDP (minus amortization payments)



* including interest payments

2. PERFORMANCE EVALUATION OF GOVERNMENT ACTIVITIES

In this chapter there is an analysis of the Programs of some agencies such as the Hellenic Police, the Fire Brigade and the General Secretariat for Sports. Furthermore the Program Primary and Secondary Education of the Ministry of National Education and Religious Affairs is presented.

In more detail, the functions, programs and actions of NPP 2009 for those agencies, their main goals, the financial resources absorbed from ordinary budget and public investment budget per action, the basic categories of expenditure (first degree accounts) per action, the sub - actions, the indicators measuring the fulfillment of the targets as well as the personnel allocation are presented. It is noted, that sub – actions are not included in NPP 2009. They consist another analysis level of the functional classification, which can be developed by the agencies. The goal is to fully deploy agencies work.

2.1 Ministry of Interior – Hellenic Police (HP)

Hellenic Police mission is to ensure peace and order as well as citizens' unhindered social development, to prevent and interdict crime as well as to protect the State and the democracy form of government within the framework of constitutional order.

For the accomplishment of its mission, HP will participate for the budget year 2009 in four (4) Functions and five (5) Programs. The greatest part of the 2009 budget appropriations is assigned to the Function 07 “Public safety and justice” and in particular the Program 07.01 “Urban and rural safety”. Due to constrains that arise from the current budget classification, the main Action developed by the HP is quite general and is named “HP Actions”. For this reason, there is a presentation of the sub-actions to which it is analyzed.

Function 07 «Public safety and justice»

Program 07.01 «Urban and rural safety»

Main Goal: To strengthen the security of citizens in both urban and rural areas.

Action 07.01.00700 «HP Actions»

2009 Budget Allocations- Resources

Expenditure categories- Accounts	(amounts in ths. euro)
15 Investments in Assets, Equipment & Equity	9,453
60 Payroll expenditures & benefits – Pensions	1,586,397
61 Third parties expenditures & fees	6,696
62 Services received	56,039
63 Consumables	47,547
64 Other various expenditures	105,656
67 Benefits – Donations – Grants - Subsidies	5,000
Total	1,816,788
Personnel	53,024

Sub-action 1: Combating organized crime, terrorism and cybercrime

Main goal	To decrease the number of committed crimes and increase effectiveness concerning crime detection
Main actions	<ul style="list-style-type: none"> • Inquiries • Improvement and development of IT systems • Controls aiming at preventing and combating trafficking in human beings • Effective organization of the departments fighting cybercrime
Possible performance indicators	<ul style="list-style-type: none"> • % of criminality per area and type of crime • Detected crimes as a % of the total number of committed and attempted crimes • % of detection of crimes related to trafficking in human beings • % of detection of open criminal cases • Total number of cybercrime cases

Sub-action 2: Combating minor criminality cases

Main goal	To decrease thefts, petty thefts and juvenile delinquency
Main actions	<ul style="list-style-type: none"> • Compilation of the map of criminogenic areas • Improvement of IT systems • Targeted action of patrols • General and specialized controls in areas of booming criminality • Development of the measure of "The Policeman of the Neighborhood"
Possible performance indicators	<ul style="list-style-type: none"> • % of arrest of culprits for thefts and petty thefts

Sub-action 3: Combating drugs

Main goal	To reduce drug trafficking
Main activities	<ul style="list-style-type: none"> • Inquiries • Aerial operations in order to detect illegal hemp cultivation • Preventive controls near schools and youth friendly areas • Border controls • Organization of information conferences
Possible performance indicators	<ul style="list-style-type: none"> • Number of information conferences per year • % of school houses where preventive controls are conducted per year • % of arrests for drug trafficking

Sub-action 4: Road safety and national road policing

Main goal	To improve road safety and prevention of traffic accidents
Main actions	<ul style="list-style-type: none"> • National road policing • Implementation of an integrated program of road network policing • Conduction of controls aiming to prevent aggressive and dangerous driving, as well as drinking and driving • Issue of information leaflets and organization of awareness conferences
Possible performance indicators	<ul style="list-style-type: none"> • Number of dead and injured from road accidents • Number of on-the-spot checks per year • Average time of response of the police services to the accident site • Number of accidents per national road • Road accidents per month and per hour

Sub-action 5: Citizens Service

Main goal	To improve effectiveness concerning services of public security and citizen service
Main actions	<ul style="list-style-type: none"> • Organization of bureaus and directorates that issue passports • Improvement of organization of administrative procedures
Possible performance indicators	<ul style="list-style-type: none"> • Degree of citizen satisfaction as to provided administrative services • Average time of processing per category of administrative form

Sub-action 6: HP Personnel education and in service training

Main goal	To provide quality higher education and continuous training
Main actions	<ul style="list-style-type: none"> • Improvement of the educational environment • Procurement of modern educational material and equipment • Organization and implementation of simulation exercises • Upgrading of teaching staff • Improvement of the foreign language learning system
Possible performance indicators	<ul style="list-style-type: none"> • Cost per student • % of police officers that speak at least one foreign language at a satisfactory level

indicators	<ul style="list-style-type: none"> • % of police officers that have attended a postgraduate course in the Police Academy • % of police officers that have attended a training program during the previous two years
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Note: At the stage of full implementation of program budgeting, when better classification will enable a more representative construction of the Actions, this sub-action will be included in the Function of Education.

2.2 Ministry of Interior – Fire Brigade (FB)

Fire Brigade’s mission is to offer security and protection of human life and property, forests and natural environment against fires, natural and other disasters. Additionally FB’s mission is to create the operational planning of the suppression of all kind of fires and the provision of all possible assistance for the rescue of people and goods that are threatened by them.

For the achievement of its mission, FB participates in 4 Functions and 4 Programs and the biggest part of the 2009 budget appropriations is assigned to the Function 07 “Public safety and justice” and in particular the Program 07.03 “Civil protection – physical disasters”. However, as for the Police mentioned above, due to constraints arising from current budget classification, the main Action of this Program is quite general and is named as “Actions of Fire Brigade”. For this reason there is a presentation of the sub-actions, to which is analyzed.

Function 07 “Public safety and justice”

Program 07.03 “Civil protection – physical disaster”

Basic objective of the Program: Protection of the environment, the human life and property and the assurance of high quality services to the citizens.

Action 07.03.00700 “Actions of Fire Brigade”

2009 Budget Allocations - Resources	
Expenditure categories – Accounts	(amount in ths. euro)

15	Investments in Assets, Equipment & Equity	3,335
60	Payroll expenditures & benefits – Pensions	371,301
61	Third parties expenditures & fees	7,778
62	Services received	29,439
63	Consumables	23,750
64	Other various expenditures	17,123
Total		452,726
Personnel		9,057

Note: In 2008, 5,500 seasonal firemen were occupied in the Fire Brigade with an open-ended contract.

Sub - action 1: Combat of forest and other kind of fires

Main goal	Effective planning and prompt response for the optimal disaster relief related to fires
Main actions	<ul style="list-style-type: none"> • Execution of inspections to the forest road network, fire hydrants and water tanks. • Dispersion of air means through out the territory • Supply of modern equipment • Manning of patrons, fire vehicles, and guardhouses
Potential performance indicators	<ul style="list-style-type: none"> • Number of fires per forest land per Region • Burned land per fire • Number of fires per cause • Time of response per incident • Number of wounded or dead people per 1000 fires

Sub - action 2: Assistance and rescues

Main goal	Effective response to the consequences of natural, technological and other perils and disasters
Main actions	<ul style="list-style-type: none"> • Preparation of operational plans • Supply of modern equipment
Potential performance indicators	<ul style="list-style-type: none"> • Time of response per incident • Percentage of public buildings in which a fire safety protection check is held per year • Number of wounded or dead people per incident

Sub - action 3: Port fire stations and other means

Main goal	Provision of active safety services and assistance in ground zone and sea area of ports
Main actions	<ul style="list-style-type: none"> • Installation and maintenance of equipment • Development of operational plans for the fire safety at ports

Potential performance indicators	<ul style="list-style-type: none"> • Average time of response to incidents • Number of incidents per area of responsibility (ground zone, basins, sea area)
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Sub - action 4: Training of Firemen

Main goal	Proper function of FB's schools and development of capable staff
Main actions	<ul style="list-style-type: none"> • Hiring of qualified trainers and obtaining educational material • Research programs
Potential performance indicators	<ul style="list-style-type: none"> • Cost per student of the FB Academy • Number of exercises for emergency preparedness per Region

Note: In the full implementation of program budgeting this sub-action will be included in the Function "Education".

Sub - action 5: Museum of the Fire Brigade

Main goal	Presentation of the history of FB and its offer and improvement of the citizens' awareness for environmental protection
Main actions	<ul style="list-style-type: none"> • Actions of communication • Maintenance and rescue of the Fire Brigade equipment
Potential performance indicators	<ul style="list-style-type: none"> • Number of visitors per year • Percentage of student visitors to the total amount of visitors

Note: In the full implementation of program budgeting this sub-action will be included in the Function "Culture, religion, sports".

Sub - action 6: Organization of sport events

Main goal	Promotion of the sport spirit in the FB's staff
Main actions	<ul style="list-style-type: none"> • Organization of sports events for the armed and security forces • Organization of friendly games for charity purposes • Participation of FB athletes to championships of sports' union
Potential performance indicators	<ul style="list-style-type: none"> • Number of sport events organized per category annually

Note: In the full implementation of program budgeting this sub-action will be included in the Function "Culture, religion, sports".

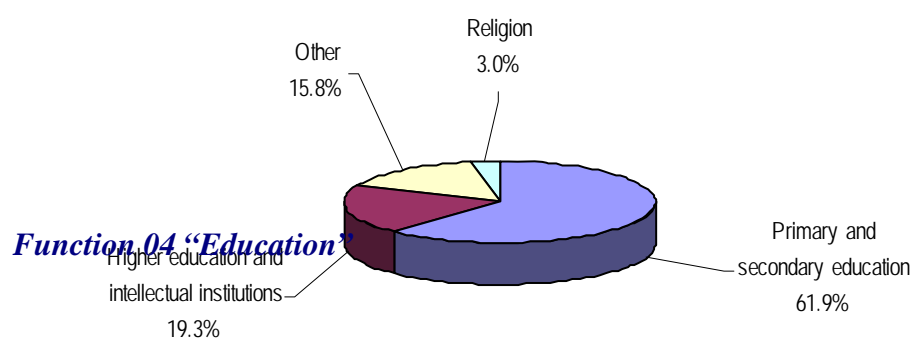
Sub - action 7: Voluntarism and communication

Main goal	Augmentation of the number of volunteers and sensitization of the citizens regarding the forestry and urban fires and the antiseismic protection
Main actions	<ul style="list-style-type: none"> • Awareness of the local authorities for the establishment of voluntary fire stations • Upgrade of the information system for the management of the volunteers • Issuance of informative leaflets for adults and children • Tv and audio spots • Organization of exhibitions and meetings • Visits to schools
Potential performance indicators	<ul style="list-style-type: none"> • Number of registered volunteers per region • Percentage of schools informed about fire protection annually • Percentage of schools informed about antiseismic protection annually

2.3 Ministry of National Education and Religious Affairs (MoNER)– Primary and Secondary Education

The Ministry of National Education and Religious Affairs will participate for the budget year 2009 in six (6) Functions. The greatest part of the 2009 appropriations is assigned to the Function of Education. Chart 2.1 presents the programs in which participates. One of the most important programs of the Function of Education is Primary and Secondary Education, whose actions will be analyzed afterwards.

Chart 2.1 Programs of Ministry of National Education and Religious Affairs



Program 04.01 “Primary and Secondary Education”

Main goal of the Program: to provide a high quality primary and secondary education.

Action 04.01.01900 “Operational support of primary education”

2009 Budget Allocations - Resources	
Expenditure Categories –Accounts (amounts in ths. euro)	
15 Investments in Assets, Equipment & Equity	190
60 Payroll expenditures & benefits – Pensions	2,210,210
63 Consumables	83
64 Other various expenditures	332
67 Benefits – Donations – Grants - Subsidies	24,500
Total	2,235,315
Personnel	95,110

Main goal	The smooth operation of school units of primary education
Main actions	<ul style="list-style-type: none"> • Adequate staffing • Assurance of appropriate equipment • Maintenance and construction of school buildings and infrastructures
Potential performance indicators	<ul style="list-style-type: none"> • % of non permanent teachers of primary education • % of nursery and kindergarten teachers with enhanced qualifications (owner of postgraduate / doctorate degree) • Number of pupils per class per region (urban, semi urban, rural) in every prefecture • % of pupils that have interrupted their studies unduly per prefecture • % of pupils who are taught a second foreign language per prefecture • % of school units with number of pupils greater than X persons per prefecture • Parents / teachers satisfaction level for primary education provided • % of infant's access to primary education • Percentage of school units with a multiple use chamber, library and laboratory per prefecture

Action 04.01.01901 “Operational support of high school and lyceum”

2009 Budget Allocations - Resources	
Expenditure Categories –Accounts (amounts in ths. euro)	
15 Investments in Assets, Equipment & Equity	190
60 Payroll expenditures & benefits – Pensions	2,627,820

63	Consumables	563
64	Other various expenditures	1,264
67	Benefits – Donations – Grants - Subsidies	1,349
Total		2,631,186
Personnel		102,821

Main goal	The smooth operation of school units of secondary education
Main actions	<ul style="list-style-type: none"> • Adequate staffing • Assurance of appropriate equipment • Maintenance and construction of school buildings and infrastructures
Potential performance indicators	<ul style="list-style-type: none"> • Average amount of teachers per region (urban, semi urban, rural) in every prefecture • Number of P/C per number of students • % of secondary education's teachers with enhanced qualifications (owner of postgraduate / doctorate degree) • Number of pupils per class per region (urban, semi urban, rural) in every prefecture • % of pupils who have interrupted their studies unduly per prefecture • % of pupils who are taught a second foreign language per prefecture • % of school units with number of pupils greater than X persons per prefecture • Parents / teachers satisfaction for secondary education provided • % of school units with a multiple use chamber, library and laboratory per prefecture • % of technical lyceum's pupils who turn to the new, provided specialities

Action 04.01.01902 "Publication of educational material"

2009 Budget Allocations- Resources	
(amount in ths. euro)	
Expenditure Categories - Accounts	
63 Consumables	1,211
67 Benefits – Donations – Grants - Subsidies	25,150
Total	26,361
Personnel	99

Main goal	The timely delivery of the bibliographic material to the school units with the simultaneous observance of specific quality specifications
Main actions	<ul style="list-style-type: none"> • Reinforcement (of the task) of the Organization of Publication of Educational Books • Procurement of books besides those issued by the Organization of Publication of Educational Books
Potential performance indicators	<ul style="list-style-type: none"> • Average deviation of Organization of Publication of Educational Books editions in days in relation to the prescheduled date

Note: This action refers to the Organization of Publication of Educational Books.

Action 04.01.01903 «Educational and Pedagogic policy»

2009 Budget Allocations- Resources	
Expenditure Categories - Accounts	(amount in ths. euro)
15 Investments in Assets, Equipment & Equity	45
60 Payroll expenditures & benefits – Pensions	4,503
61 Third parties expenditures & fees	96
62 Services received	1,301
63 Consumables	68
64 Other various expenditures	79
67 Benefits - Donations - Grants - Subsidies	40
Total	6,132
Personnel	64

Main goal	The improvement of educational system quality
Main actions	<ul style="list-style-type: none"> • Investigation of qualitative characteristics of Primary and Secondary education system and designing directions for the planning and scheduling of educational policy • Promotion of social integration and new technologies • Upgrading of systems of initial professional training and connection of education with the job market • Support of life learning

	<ul style="list-style-type: none"> • Revision of analytical programs • Production of printed and electronic educational material • Improvement of educational methods • Teacher's training in using Information Technologies and Communication • Development of Pedagogic Institute infrastructure • Formation of quality indicators framework for Primary and Secondary education
Potential performance indicators	<ul style="list-style-type: none"> • % of students who completes the secondary education • % of students with low basic abilities per class • % of students with training difficulties that correspond in the educational process (based on internationally recognized models). • % of Economically Feeble students that graduate with honor • % of students who participates in international school competitions • % of students that is distinguished in international school competitions • Rate of teacher attendance in programs of life learning

Action 04.01.01904 «Environmental Education»

2009 Budget Allocations- Resources	
Expenditure Categories - Accounts (amount in ths. euro)	
67 Benefits - Donations - Grants - Subsidies	380
Total	380
Personnel	

Main goal	The sensitization of young people, regarding the need of environmental protection
Main actions	<ul style="list-style-type: none"> • Support of educational environmental action
Potential performance indicators	<ul style="list-style-type: none"> • Percentage of students attended environmental education programs • Percentage of professors with training in environmental actions • Number of Environmental Education Centers per region

Note: The educational personnel of Environmental Education Centers is included in the actions 04.01.01900 and 04.01.01901.

Action 04.01.01905 «Technical Faculties»

2009 Budget Allocations- Resources	

Expenditure Categories - Accounts		(amount in ths. euro)
67	Benefits - Donations - Grants - Subsidies	12,000
Total		12,000
Personnel		245

Main goal	The growth of specialized professional technical potential
Main actions	<ul style="list-style-type: none"> • Support of Sivitanidios School • Interconnection of Sivitanidios students with job market
Potential performance indicators	<ul style="list-style-type: none"> • Cost per Sivitanidios student • Students per professor at Sivitanidios School • Absorption of students in the job market

Note: This action includes at this stage, only Sivitanidios School activities, that provides secondary and post secondary technical education.

Action 04.01.01906 «Secondary Ecclesiastic Education»

2009 Budget Allocations- Resources		
Expenditure Categories - Accounts		(amount in ths. euro)
15	Investments in Assets, Equipment & Equity	44
60	Payroll expenditures & benefits – Pensions	8,256
61	Third parties expenditures & fees	7
62	Services received	412
63	Consumables	276
64	Other various expenditures	34
67	Benefits - Donations - Grants - Subsidies	1,030
Total		10,059
Personnel		250

Main goal	The smooth operation of school units of secondary ecclesiastic education
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Main actions	<ul style="list-style-type: none"> • Sufficient crewing • Appropriate equipment • Manufacture and maintenance of schools infrastructures
Potential performance indicators	<ul style="list-style-type: none"> • Cost per student of ecclesiastic education in combination with the corresponding cost per student of secondary education

Action 04.01.01907 « Regional department's Actions of Primary and Secondary Education»

2009 Budget Allocations- Resources	
Expenditure Categories - Accounts	(amount in ths. euro)
15 Investments in Assets, Equipment & Equity	107
60 Payroll expenditures & benefits – Pensions	557
61 Third parties expenditures & fees	89
62 Services received	953
63 Consumables	211
64 Other various expenditures	741
67 Benefits - Donations - Grants - Subsidies	55
Total	2,713
Personnel	9,811

Main goal	Effective management regarding primary and secondary education issues in regional level
Main actions	<ul style="list-style-type: none"> • Administrative support of school units in region • Adequate staffing in school units • Replying in parents demands • Issue of professional exercise authorizations • Monitoring, co-ordination, following up and evaluation of school advisers work • Collaboration via the central service of MoNER with the Pedagogical Institute • Regional Training Centers • Centers of Diagnosis, Evaluation and Support • Regional Support and Educational Planning Centers • Advisory Stations for young people
Potential performance	<ul style="list-style-type: none"> • Number of trained teachers per year • Number of schools that are visited by an advisor per year

indicators

It is noted that many indicators which are reported in actions 04.01.01900 and 04.01.01901, could be also applied in this particular action.

2.4 Ministry of Culture-General Secretariat for Sports

The General Secretariat for Sports' mission is the creation of conditions that support the improvement and progress of the organization and operation of sports in the country. To fulfill this mission the General Secretariat for Sports' participates in two functions, at 2009. The greatest part of the 2009 budget appropriations is assigned to the function 05 "Culture-Religion-Sports"

Function 05 «Culture –Religion – Sports»

Program 05.06 «Sports»

Program's main target: Promotion and development of sports.

Action 05.06.02100 «Operational support of sports»

2009 Budget Allocations- Resources	
Expenditure categories- Accounts	(amount in ths. euro)
15 Investments in Assets, Equipment & Equity	195
60 Payroll expenditures & benefits – Pensions	17,677
61 Third parties expenditures & fees	12
62 Services received	533
63 Consumables	365
64 Other various expenditures	134,240
Total	153,022
Personnel	198

Main goal	Effective administration and promotion of sports
Main actions	<ul style="list-style-type: none"> • Planning, in an executive level, over sports issues and co-ordination of the competent departments or bodies • Events and activities planning for sports promotion • Seminars and promotion of the education and training in sports
Potential performance indicators	<ul style="list-style-type: none"> • Level of satisfaction of citizens and associated bodies by Sports General Secretariat • Number of visits at the web site of Sports General Secretariat • Number of graduates from sports instructors schools

Action 05.06.02101 «Competitive sports»

2009 Budget Allocations- Resources	
Expenditure categories- Accounts (amount in ths. euro)	
67 Benefits-Donations -Grants-Subsidies	35,290
Total	35,290
Personnel 105	

Main goal	Improvement of the Greek presence in competitive sports field
Main actions	<ul style="list-style-type: none"> • Monitoring, support and supervision of sports federations and associations • Care for the creation of incentives and the facilitation of soldiers or employees to participate in sport events or training • Communication of the consequences of doping • Modernisation, improvement and intensification of doping controls
Potential performance indicators	<ul style="list-style-type: none"> • Number of participations of Greece in international sports events • Number of Greek nominations in international sports events • Number of athletes with special needs engaged in competitive sports • Greek excellences at international sports meetings of athletes with special needs

Action 05.06.02102 «Sports for all»

2009 Budget Allocations- Resources	
Expenditure categories- Accounts	(amount in ths. euro)
Benefits-Donations -Grants-Subsidies	300
Total	300
Personnel	34

Main goal	<i>Participation of citizens in sports activities</i>
Main actions	<ul style="list-style-type: none"> • Planning and implementation of sports activities in co-operation with local authorities and other competent bodies • Planning and implementation of sports activities in reformatories, prisons, old peoples' homes • Development and support of sports at school and universities
Potential performance indicators	<ul style="list-style-type: none"> • Number of citizens participating in "sports for all" activities" • Number of sports instructors implementing "sports for all" activities • Percentage of the participants in "sports for all" activities compared to the population • Level of satisfaction of citizens by "sports for all" activities

Action 05.06.02103 «Investment actions for sports infrastructures»

2009 Budget Allocations- Resources	
Expenditure categories- Accounts	(amount in ths. euro)
15 Investments in Assets, Equipment & Equity	110,000
Total	110,000
Personnel	180

Main goal	Creation of proper infrastructures for sports
Main actions	<ul style="list-style-type: none"> • Finding and acquisition of spaces for the establishment of gymnasiums, stadiums, sports fields and sports facilities

Potential performance indicators	<ul style="list-style-type: none"> • Study, construction and maintenance of stadiums, gymnasiums, sports facilities • Number of adequate sports facilities in comparison with the population • Number of adequate sports facilities per prefecture
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It should be noted that this action is funded by investment budget

Finally, it should also be noted that the number of employees occupied at the actions described above includes permanent staff and open ended contract staff.

3. ACCOUNTING SYSTEM REFORM

According to recent recommendations of international organizations (OECD, IMF), a first step for the improvement of the central government accounting in Greece is the enhancing of the quality, transparency and comprehensiveness of the current cash based accounts, while the move towards full accrual accounting should not be a priority at this stage.

Based on one of the most important recommendations of the OECD, detailed accounting rules and regulations for the central government accounting should be issued and adopted, in order to clarify, amongst other terms, the difference between revenue and collection (cash inflow), expenditure and payment (cash outflow). In addition, these accounting regulations should define terms of receivables, liabilities and assets and classify every single item of them in different subgroups (i.e. current assets, non current assets e.t.c.). The implementation of these changes in the central government accounting will change the current accounting method used by the Greek State towards the principles of modified cash basis accounting.

The adoption of the new accounting method, as well as the launching of the new accounting and financial information system, which is now designed and prepared for the General Accounting Office, are preconditions for the preparation of financial statements (including statement of financial position, statement of financial performance and cash flow statement) for the central Greek government. The aforementioned financial statements will give qualitative information in a generally accepted format, concerning the efficient management and transparent use of public resources, following very closely the accounting regulations and standards that have been adopted by other OECD countries.

The implementation of this kind of reform in the accounting system of central government requires changes in the current legal framework in order for new accounting procedures and terms to be issued in the Budget law. In 2008 the special unit for the Government Accounting System Reform in GAO completed a first draft

of matching every line item of the existing code classification of revenues and expenditure with accounts generally accepted for financial reporting purposes. In accordance with this draft matching, which is now under discussion, the following alternative statements of cash flows for the Greek State Budget of 2009, have been prepared and presented in the special edition “Program Budgeting 2009” which accompanies the State Budget of the same year.

In the following pages there is a presentation of some basic tables as:

In tables 3.1 and 3.2 the State Budget cash flows are presented.

In table 3.3 cash flows per Ministry are presented.

In table 3.4 cash flows per function are presented.

In table 3.5 projected financing of investments is presented.

Table 3.1 State Budget 2009 - Cash flow statement (per type of budget)

(amounts in euro)

Ordinary Budget	Inflows from :	
	Direct taxes	22,192,000,000
	Indirect taxes	31,097,000,000
	E.U. grants	405,000,000
	Tax and non tax arrears	4,141,000,000
	Other various revenues & Extraordinary	3,113,000,000
	Property sale	9,000,000
	Dividend & interest income	2,770,000,000
	Total (I)	63,727,000,000
	Outflows for :	
	Payroll expenditures & benefits - Pensions	26,087,517,420
	Third party expenditures & fees	326,035,570
	Services received	688,995,940
Stock consumption	816,715,830	
Other various expenditures	10,524,051,250	
Interest & related expenditures	12,000,000,000	
Benefits - Donations - Grants - Subsidies	17,445,266,000	
Investments (incl. financial investments)	2,348,417,990	
Total (II)	70,237,000,000	
A.	Net cash flow of Ordinary budget prior financing activities (III)=(I)-(II)	-6,510,000,000
Investment Budget	Inflows from :	
	E.U. grants	3,500,000,000
	Non tax arrears	96,000,000
	Other various revenues	104,000,000
	Total (IV)	3,700,000,000
	Outflows for :	
Investments (incl. financial investments)	8,800,000,000	
Total (V)	8,800,000,000	
B.	Net cash flow of Investment budget prior financing activities (VI)=(IV)-(V)	-5,100,000,000
C.	Net cash flow of Ordinary & Investment budget prior financing activities (A+B) *	-11,610,000,000
Financing activities of Ordinary & Investment Budget	Inflows from :	
	Increase of long term debt of Ordinary budget (loans & equivalent instruments)	35,639,000,000
	Increase of long term debt of Investment budget (loans & equivalent instruments)	5,100,000,000
	Total (VII)	40,739,000,000
	Outflows for :	
	Decrease of long term debt of Ordinary budget (loans & equivalent instruments)	29,129,000,000
Decrease of long term debt of Investment budget (loans & equivalent instruments)	0	
Total (VIII)	29,129,000,000	
D.	Net cash flow from financing activities of Ordinary and Investment budget (IX)=(VII)-(VIII)	11,610,000,000
Total Government budget 2009 [(I+IV+VII) or (I+IV+VII)]		108,166,000,000
<p>* The net cash flow of Ordinary and Investment Budget prior financing activities for 2009 differs from the budget deficit of Central Government presented in the budget introductory report of 2009 into the amount of a) special expenditures that are matched with revenues of equal amount b) special expenditures for short term bonds of public sector and relevant expenditures of bond issuing c) investments for military equipment of Ministry of National Defense and d) loan instalments of Organization of (public) School Buildings</p>		

Table 3.2 State Budget 2009 - Cash flow statement (per activity type)

(amounts in euro)

Operating activities	Inflows from :	
	Direct taxes	22,192,000,000
	Indirect taxes	31,097,000,000
	E.U. grants	405,000,000
	Tax and non tax arrears	4,141,000,000
	Other various revenues & Extraordinary	3,113,000,000
	Dividend & interest income	2,770,000,000
	Total (I)	63,718,000,000
	Outflows for :	
	Payroll expenditures & benefits - Pensions	26,087,517,420
	Third party expenditures & fees	326,035,570
Services received	688,995,940	
Stock consumption	816,715,830	
Other various expenditures	10,524,051,250	
Interest & related expenditures	12,000,000,000	
Benefits – Donations – Grants - Subsidies	17,445,266,000	
Total (II)	67,888,582,010	
A.	Net cash flow from operating activities (III)=(I)-(II)	-4,170,582,010
Investing activities	Inflows from :	
	E.U. grants	3,500,000,000
	Non tax arrears	96,000,000
	Property sale	9,000,000
	Other various revenues	104,000,000
	Total (IV)	3,709,000,000
Outflows for :		
Investments (incl. financial investments)	11,148,417,990	
Total (V)	11,148,417,990	
B.	Net cash flow from investing activities (VI)=(IV)-(V)	-7,439,417,990
C.	Net cash flow from operating and investing activities (A+B)*	-11,610,000,000
Financing activities	Inflows from :	
	Increase of long term debt (loans & equivalent instruments)	40,739,000,000
	Total (VII)	40,739,000,000
	Outflows for :	
Decrease of long term debt (loans & equivalent instruments)	29,129,000,000	
Total (VIII)	29,129,000,000	
D.	Net cash flow from financing activities (IX)=(VII)-(VIII)	11,610,000,000
<p>* The net cash flow of operating and investing activities for 2009 differs from the budget deficit of Central Government presented in the budget introductory report of 2009 into the amount of a) special expenditures that are matched with revenues of equal amount b) special expenditures for short term bonds of public sector and relevant expenditures of bond issuing c) investments for military equipment of Ministry of National Defense and d) loan instalments of Organization of (public) School Buildings</p>		

Table 3.3 State Budget 2009 - Cash flow statement (outflows per Ministry)

(amounts in euro)				
	Ordinary Budget	Investment Budget	Total	
Operating activities	Inflows from :			
	Direct taxes	22,192,000,000		22,192,000,000
	Indirect taxes	31,097,000,000		31,097,000,000
	E.U. grants	405,000,000		405,000,000
	Tax and non tax arrears	4,141,000,000		4,141,000,000
	Other various revenues & Extraordinary	3,113,000,000		3,113,000,000
	Dividend & interest income	2,770,000,000		2,770,000,000
	Total (I)	63,718,000,000		63,718,000,000
	Outflows for :			
	Presidency	5,647,000		5,647,000
	Parliament	216,665,000		216,665,000
	Ministry of Interior	6,750,942,800		6,750,942,800
	Ministry of Foreign Affairs	484,342,000		484,342,000
	Ministry of National Defence	4,278,550,000		4,278,550,000
	Ministry of Health & Social Solidarity	5,736,426,500		5,736,426,500
	Ministry of Justice	886,310,000		886,310,000
	Ministry of National Education and Religious Affairs	7,147,485,500		7,147,485,500
	Ministry of Culture	617,831,000		617,831,000
	Ministry of Economy & Finance	25,073,603,300		25,073,603,300
	Ministry of Macedonia & Thrace	21,698,800		21,698,800
	Ministry of Rural Development & Food	1,361,207,000		1,361,207,000
	Ministry of Environment, Physical Planning & Public Works	170,893,000		170,893,000
	Ministry of Employment and Social Protection	11,395,967,000		11,395,967,000
	Ministry of Development	274,208,000		274,208,000
	Ministry of Transport and Communications	494,534,000		494,534,000
	Ministry of Mercantile Marine, Aegean and Island Policy	1,644,437,000		1,644,437,000
	Ministry of Tourism	69,955,000		69,955,000
General Secretariats of Communication and Information	111,481,000		111,481,000	
Peripheral Agencies of Ministries	59,851,810		59,851,810	
Regions	1,086,546,300		1,086,546,300	
Total (II)	67,888,582,010		67,888,582,010	
A.	Net cash flow from operating activities (III)=(I)-(II)		-4,170,582,010	
Investing Activities	Inflows from :			
	E.U. grants		3,500,000,000	3,500,000,000
	Non tax arrears		96,000,000	96,000,000
	Property sale	9,000,000		9,000,000
	Other various revenues		104,000,000	104,000,000
	Total (IV)	9,000,000	3,700,000,000	3,709,000,000
	Outflows for :			
	Presidency	153,000		153,000
	Parliament	5,475,000	2,000,000	7,475,000
	Ministry of Interior	15,561,200	1,139,000,000	1,154,561,200
	Ministry of Foreign Affairs	5,160,000	65,000,000	70,160,000
	Ministry of National Defence	2,296,000,000	30,000,000	2,326,000,000
	Ministry of Health & Social Solidarity	310,500	195,000,000	195,310,500
	Ministry of Justice	1,275,000	46,000,000	47,275,000
	Ministry of National Education and Religious Affairs	1,229,500	806,000,000	807,229,500
	Ministry of Culture	488,000	285,000,000	285,488,000
	Ministry of Economy & Finance	15,017,700	904,000,000	919,017,700
	Ministry of Macedonia & Thrace	139,200	21,000,000	21,139,200
	Ministry of Rural Development & Food	203,000	475,000,000	475,203,000
	Ministry of Environment, Physical Planning & Public Works	60,000	2,200,000,000	2,200,060,000
	Ministry of Employment and Social Protection	322,000	460,000,000	460,322,000
	Ministry of Development	438,000	475,000,000	475,438,000
	Ministry of Transport and Communications	1,118,000	270,000,000	271,118,000
	Ministry of Mercantile Marine, Aegean and Island Policy	2,805,000	61,000,000	63,805,000
	Ministry of Tourism	235,000	90,000,000	90,235,000
	General Secretariats of Communication and Information	599,000	11,000,000	11,599,000
	Peripheral Agencies of Ministries	256,190		256,190
	Regions	1,572,700	1,265,000,000	1,266,572,700
	Total (V)	2,348,417,990	8,800,000,000	11,148,417,990
	B.	Net cash flow from investing activities (VI)=(IV)-(V)		-2,339,417,990
	C.	Net cash flow from operating and investing activities (A+B)*		-6,510,000,000
	Financing Activities	Inflows from :		
		Increase of long term debt (loans & equivalent instruments)	35,639,000,000	5,100,000,000
Total (VII)		35,639,000,000	5,100,000,000	40,739,000,000
Outflows for :				
Decrease of long term debt (loans & equivalent instruments)		29,129,000,000		29,129,000,000
Total (VIII)	29,129,000,000		29,129,000,000	
D.	Net cash flow from financing activities (IX)=(VII)-(VIII)		6,510,000,000	

Table 3.4 State Budget 2009 - Cash flow statement (outflows per function according to NPP 2009)

(amounts in euro)

		Ordinary Budget	Investment Budget	Total
Operating Activities	Inflows from :			
	Direct taxes	22,192,000,000		22,192,000,000
	Indirect taxes	31,097,000,000		31,097,000,000
	E.U. grants	405,000,000		405,000,000
	Tax and non tax arrears	4,141,000,000		4,141,000,000
	Other various revenues & Extraordinary	3,113,000,000		3,113,000,000
	Dividend & interest income	2,770,000,000		2,770,000,000
	Total (I)	63,718,000,000		63,718,000,000
	Outflows for :			
	External affairs	3,238,017,500		3,238,017,500
	Government's specific domestic actions	781,385,100		781,385,100
	Local governing	4,283,111,150		4,283,111,150
	Education	7,048,285,710		7,048,285,710
	Culture, religion, sports	885,860,500		885,860,500
Defence	3,941,589,000		3,941,589,000	
Public safety and justice	3,545,061,600		3,545,061,600	
Economic affairs and development	13,751,974,400		13,751,974,400	
Rural development	1,463,016,600		1,463,016,600	
Environment and housing	75,668,000		75,668,000	
Infrastructures and transports	681,629,850		681,629,850	
Health and social policy	28,192,982,600		28,192,982,600	
Total (II)	67,888,582,010		67,888,582,010	
A. Net cash flow from operating activities (III)=(I)-(II)	-4,170,582,010		-4,170,582,010	
Investing Activities	Inflows from :			
	E.U. grants		3,500,000,000	3,500,000,000
	Non tax arrears		96,000,000	96,000,000
	Property sale	9,000,000		9,000,000
	Other various revenues		104,000,000	104,000,000
	Total (IV)	9,000,000	3,700,000,000	3,709,000,000
	Outflows for :			
	External affairs	35,242,000	65,000,000	100,242,000
	Government's specific domestic actions	8,478,400	184,000,000	192,478,400
	Local governing	1,120,950	2,453,000,000	2,454,120,950
	Education	1,412,090	1,205,000,000	1,206,412,090
	Culture, religion, sports	505,000	253,000,000	253,505,000
	Defence	2,274,777,000	25,000,000	2,299,777,000
	Public safety and justice	17,862,300	116,000,000	133,862,300
Economic affairs and development	6,238,800	1,311,000,000	1,317,238,800	
Rural development	722,700	610,000,000	610,722,700	
Environment and housing	89,000	503,000,000	503,089,000	
Infrastructures and transports	1,298,950	1,880,000,000	1,881,298,950	
Health and social policy	670,800	195,000,000	195,670,800	
Total (V)	2,348,417,990	8,800,000,000	11,148,417,990	
B. Net cash flow from investing activities (VI)=(IV)-(V)	-2,339,417,990	-5,100,000,000	-7,439,417,990	
C. Net cash flow from operating and investing activities (A+B)*	-6,510,000,000	-5,100,000,000	-11,610,000,000	
Financing Activities	Inflows from :			
	Increase of long term debt (loans & equivalent instruments)	35,639,000,000	5,100,000,000	40,739,000,000
	Total (VII)	35,639,000,000	5,100,000,000	40,739,000,000
	Outflows for :			
Decrease of long term debt (loans & equivalent instruments)	29,129,000,000		29,129,000,000	
Total (VIII)	29,129,000,000		29,129,000,000	
D. Net cash flow from financing activities (IX)=(VII)-(VIII)	6,510,000,000	5,100,000,000	11,610,000,000	

**Table 3.5 Projected financing of investments
State Budget 2009**

(amounts in euro)

1. Financing from Ordinary budget resources for :	2,348,417,990
Land	10,100,000
Buildings and fixtures on buildings	26,941,000
Transportation means	7,843,900
Machinery, furniture & other equipment	74,022,090
Financial investments & long term receivables	11,000
Fixed assets under construction	29,500,000
Fixed assets under construction (for appropriation)	2,200,000,000
2. Financing from national resources of Investment budget for :	3,650,000,000
Land	14,000,000
Buildings and fixtures on buildings	604,050,000
Transportation means	1,050,000
Machinery, furniture & other equipment	23,600,000
Financial investments & long term receivables	350,000,000
Operating expenditures of investments	721,100,000
Grants to public law entities for investments	1,926,200,000
Special reserve for public investments	10,000,000
3. Financing from co-financed resources of Investment budget for :	5,150,000,000
Land	350,000,000
Buildings and fixtures on buildings	804,100,000
Machinery, furniture & other equipment	95,500,000
Financial investments & long term receivables	600,000,000
Operating expenditures of investments	1,637,100,000
Grants to public law entities for investments	1,653,300,000
Special reserve for public investments	10,000,000
Total (1+2+3)	11,148,417,990