



**EXPERT EVALUATION NETWORK  
DELIVERING POLICY ANALYSIS ON THE  
PERFORMANCE OF COHESION POLICY 2007–2013**

**TASK 2: COUNTRY REPORT ON  
ACHIEVEMENTS OF COHESION POLICY**

**GREECE**

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Directorate–General Regional Policy**

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## LIST OF ABBREVIATIONS

AIR	Annual Implementation Report
CSF	Community Support Framework
EC	European Commission
EIB	European Investment Bank
EIS	European Innovation Scoreboard
ERDF	European Regional Development Fund
ESF	European Social Fund
ICT	Information Communication Technology
JEREMIE	Joint European Resources for Micro to Medium Enterprises
NSRF	National Strategic Reference Framework
OP	Operational Programme
R&D	Research and Development
ROP	Regional Operational Programme
RTDI	Research Technology Development Innovation
SII	Summary Innovation Index
SME	Small and Medium Sized Enterprise

## EXECUTIVE SUMMARY

The current NSRF was designed to address the country's development needs but its implementation is exceedingly slow. Despite progress in some areas the skills and organisation of the national administration and potential beneficiaries (municipalities, city councils and local development companies) continue to be a major factor of concern. Elections in 2009, major fiscal imbalances and restructuring small municipalities into integrated, larger ones in 2010 delayed regional development programming.

Progress until December 2009 was limited to single digit absorptions. The areas of physical infrastructure and entrepreneurship demonstrate above average achievements, the former thanks to the continuation of larger projects already started in previous programming periods, the latter by launching calls for proposals, which are often replicating or slightly modifying programmes already tested under the third CSF. The major motorways and urban transport are expected to have a real impact on access to European markets, reduction of congestion and safety. The entrepreneurship calls support a large number of small companies suffering from the recession. However, their longer-term impact is uncertain: they replicate the past model of thinly spread support schemes. With this model, despite support, the Greek competitiveness eroded rapidly. Underachievement in the energy/environment and ICT are worrying, since both constitute governmental priorities. Regional planning has limited autonomy: although the funds are earmarked for the regions policies are implemented through central decisions and coordinated calls suggested by the national ministries.

To cope with the delays the authorities now accept all applications which are mature, in the sense that they comply with all the formal requirements for application: impact considerations are seen as a luxury. Evaluations are limited to almost the minimum number deriving from the legal obligations of the country to the EU. Cost-benefit analyses are made for larger projects. The technical assistance is used for studies, their quality varying. Transparency is limited and very few studies are in the relevant sites, which are not regularly updated. Prioritising by impact and assessing the quality of the studies is thus impossible in the context of this report.

The government is struggling to catch up with the delays: a large number of calls were launched in 2010 and many more are promised for 2011. This leads to an obvious danger to guide decisions by absorption only. However, what is more important than absorption are further improvements in administrative skills, taking real regional planning needs into consideration; prioritisation towards the major challenges of the economy such as private investments and the deficit of hospitals; focusing the development model on synergies and high impact through sustainability and capacity utilisation. The adoption of a genuine evaluation culture is necessary to meet the above mentioned targets and challenges.

## SECTION 1 – SOCIO–ECONOMIC CONTEXT

From 2000 to 2008 Greece outperformed the EU average growth rate (3.7% and 1.9% respectively) by almost 2%. Growth, which was fuelled by domestic demand, EU transfers and unrestrained borrowing in the international capital markets, was not exploited to eliminate permanent structural problems and regional disparities. *Paradoxically this growth period was accompanied by significant deterioration of national competitiveness since 2005*<sup>1</sup>. In 2009 the impact of the financial crisis was amplified by the unacceptably high government deficit (about 13.6% in 2009)<sup>2</sup> and the escalating public debt (115% of GDP) (Table 2)<sup>3</sup>. These three components triggered a deep recession, increased higher borrowing costs and led to financial instability. The economic situation was (and to some extent still is) in a vicious circle. Two of the country's largest industries, namely tourism and shipping, recorded significant revenue reductions falling by up to 15% in 2009<sup>4</sup>. SMEs were mostly affected by the crisis; bankruptcies are increasing rapidly, as aggregate demand stagnates and bank liquidity is tight.

The current year is very peculiar, as the Greek economy is the first in the Eurozone to be under a joint European Commission, European Central Bank and International Monetary Fund monitoring (the so-called “*troika*”) monitoring, because of its need of a low-interest loan of EUR 110 billion to face difficulties in the international capital markets. This influences regional policy in two significant ways:

1. *Negatively*, in the sense that structural policies had to be neglected for almost a year, when all efforts of the top layers of the government were concentrated on the international monetary markets and the troika negotiations. Moreover these negotiations resulted in stringent public finance controls, which have affected the resources earmarked for public investments.
2. *Positively*, as long-time needed structural changes are introduced, in particular soft measures regarding social security, the tax system, public budget reductions (affecting ministries and public utilities), the liberalisation of closed professions and last but not least the intensification of the promotion of foreign and domestic investments. These

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<sup>1</sup> As reported in the Global Competitiveness Report of the World Economic Forum, <http://www.weforum.org/en/initiatives/gcp/Global%20Competitiveness%20Report/index.htm>

And the World Competitiveness Scoreboard of the International Institute for Management Development (IMD) <http://www.imd.org/research/publications/wcy/upload/scoreboard.pdf>

<sup>2</sup> Regional Operational Programme, Programming Period 2007–2013, “Attica”, Annual Implementation Report for 2009, May 2010.

<sup>3</sup> See Excel file for Table 2.

<sup>4</sup> Wikipedia ([http://en.wikipedia.org/wiki/2010\\_European\\_sovereign\\_debt\\_crisis#cite\\_note-tempsreel.nouvelobs.com-15](http://en.wikipedia.org/wiki/2010_European_sovereign_debt_crisis#cite_note-tempsreel.nouvelobs.com-15)), original source: <http://tempsreel.nouvelobs.com/index.html>

structural changes are announced and partly implemented, but their impact remains to be seen.

The economy of Greece depends increasingly on the service sector, which contributes 68.3% of Gross Value Added in 2009, up from 63.5% in 2000<sup>5</sup>. The knowledge-intensive services (such as computer and related activities, telecommunications, R&D and other business services) account, however, for only 6.1% of the total value added of the economy; retail, tourism and transport, storage and communications constitute the lion's share. The contribution of agriculture to GDP is one of the highest among the EU Member States despite its significant decline over the last years<sup>6</sup>. The manufacturing sector is undersized compared to the EU average (10.3% and 14.7% correspondingly). Specialisation is in traditional sectors. The construction sector has played a crucial role in earlier development but is shrinking significantly during the present financial crisis<sup>7</sup>.

The whole territory of Greece is divided into 13 NUTS 2 regions<sup>8</sup>. Regional disparities in terms of economic development are significant, determined by the population, the level of urbanisation, the geographical location and the availability of transport infrastructure. Only the regions around the two metropolitan centres (Athens and Thessaloniki), namely the regions of Attica and Central Macedonia have the adequate critical mass in terms of productive and entrepreneurial activities to benefit from agglomeration effects. Because of their natural endowment (climate for tourism and natural resources for energy production) the regions of the Aegean Islands and Western Macedonia are also above the national GDP/head. During the previous programming periods physical infrastructure improved the major road axes facilitating access of the cities and complementary road connections were also constructed. The Athens airport modernised. Information Society (IS) penetration increased rapidly (still well below EU average), maritime transport and marinas improved. However, the mountainous areas and a large number of small, peripheral islands remain with difficult access to the mainland and the IS.

Thus, the contribution of each region to the overall development of the country continues to differ. According to the 2007 Eurostat data, the region of Attica is the only region

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<sup>5</sup> Source: own calculations based on: Eurostat, National Accounts

[http://epp.eurostat.ec.europa.eu/portal/page/portal/national\\_accounts/data/database](http://epp.eurostat.ec.europa.eu/portal/page/portal/national_accounts/data/database)

<sup>6</sup> Ibid.

<sup>7</sup> Source: Eurostat, National Accounts

[http://epp.eurostat.ec.europa.eu/portal/page/portal/national\\_accounts/data/database](http://epp.eurostat.ec.europa.eu/portal/page/portal/national_accounts/data/database)

<sup>8</sup> Namely, Thessalia, Sterea Ellada, Ipiros, Crete, Aegean Islands, Attica, Western Greece, Peloponnesus, Ionian Islands, Central Macedonia, Western Macedonia, Eastern Macedonia & Thrace.

outperforming the EU average in terms of GDP per head (128%) (Table 1)<sup>9</sup>. In seven “convergence” regions per head GDP is below 75% of the EU average (with the exception of Crete, Peloponnese and Western Macedonia). In 2007, the lowest per head GDP was observed in Western Greece (EUR 12,800, or about 2/3 of the country’s GDP), while the highest was in Attica (EUR 28,000)<sup>10</sup>. In the least developed regions (Peloponnese, Western Greece, Eastern Macedonia, Thrace and Thessaly) more than 20% of the employed population is working in the agricultural sector. In terms of productivity growth, Attica is also best performing. Disparities are also evident in the level of education with the region of Attica (hosting the largest universities) ranking top followed by Central Macedonia, Thessaly and Crete. Despite the high growth of the early 21st century, regional inequalities in terms of development, employment and productivity continue to be important and limit the potential of many Greek regions for real convergence with the EU average<sup>11</sup>.

There are four (out of five) thematic priorities of the current NSRF aiming directly at the “Attractiveness of Greece and its Regions as the place for investment, work and living”, which cover the whole territory. In addition, the regional OPs are expected to address the development problems concentrating on the specific characteristics of each region.

## **SECTION 2 – THE REGIONAL DEVELOPMENT POLICY PURSUED, THE EU CONTRIBUTION TO THIS AND THE POLICY ACHIEVEMENTS OVER THE PERIOD**

### **THE REGIONAL DEVELOPMENT POLICY PURSUED**

The core strategic objectives outlined by the NSRF are the following: Promotion of innovation, research and entrepreneurship and their linkage; investment in the viable infrastructure; energy and environment; investments in human capital. There are 17 general objectives divided into five thematic priorities aiming at the expansion of the development potential of the country, maintenance of the high growth rates and the increase of the productivity levels higher than that of the EU average so that to boost employment and reach real convergence and high quality of life<sup>12</sup>.

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<sup>9</sup> See Excel file for Table 1.

<sup>10</sup> Hellenic Republic, Ministry of Economy, Competitiveness and Shipping, General Secretariat for Investments and Development, National Strategic Report NSRF 2007–2013, December 2009.

<sup>11</sup> Hellenic Republic, Ministry of Economy, Competitiveness and Shipping, General Secretariat for Investments and Development, National Strategic Report NSRF 2007–2013, December 2009.

<sup>12</sup> Hellenic Republic, Ministry of Economy, Competitiveness and Shipping, General Secretariat for Investments and Development, National Strategic Report NSRF 2007–2013, December 2009.

The NSRF is implemented through 14 OPs, of which nine are of sectoral<sup>13</sup> and five of regional<sup>14</sup> nature. Five out of nine sectoral programmes are funded by the ERDF and the Cohesion Fund, the remaining four by the ESF. The sectoral programmes address country-wide needs, such as entrepreneurship and competitiveness, sustainable development, improvement of accessibility, digital convergence, development of human resources and promotion of administrative reforms.

For the first time the thirteen Greek regions are of three types<sup>15</sup>: *phasing in*, *phasing out* (the highest share of the population) and *convergence* (the majority in terms of number of regions). Two, namely Sterea Ellada and South Aegean Islands are “phasing in” regions under the Competitiveness Objective, eight (Eastern Macedonia & Thrace, Western Greece, Peloponnesus, Ionian Islands, Crete, Thessalia, Ipiros, North Aegean Islands) have Convergence Objective status and three (Attica, Central Macedonia and Western Macedonia) are “phasing out” regions of the Convergence Objective<sup>16</sup>. The thirteen regions were aggregated into five ROPs with geographical criteria. As a consequence neighbour regions of different development status (convergence, phasing in and phasing out) are put together under the same ROP, keeping different funding axes<sup>17</sup>. This was a political decision of the Greek government, accepted by the European Commission. In many interviews, however, the rationale of this decision was contested: there is no common ground, no common development needs and no visible benefit, while the distinct funding axes create additional bureaucracy.

For the purposes of this report a total of EUR 20.4 billion is studied<sup>18</sup>, out of which EUR 3.7 billion from the Cohesion Fund flowing mainly to “phasing in” regions for projects of national relevance<sup>19</sup>. The remaining EUR 16.7 billion are distributed as follows: the five regional

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<sup>13</sup> namely Environment – Sustainable Development, Accessibility Improvement, Competitiveness and Entrepreneurship, Digital Convergence, Human Resource Development, Education and Lifelong Learning, Public Administration Reform, Technical Support for Implementation, National Contingency Reserve.

<sup>14</sup> Thessalia – Sterea Ellada – Ipiros, Crete and the Aegean Islands, Attica, Western Greece – Peloponnesus – Ionian Islands, Central Macedonia – Western Macedonia – Eastern Macedonia & Thrace.

<sup>15</sup> Unlike the previous 2000–2006 programming period, when all of the Greek regions were eligible under the Objective 1.

<sup>16</sup> Hellenic Republic, Ministry of Economy, Competitiveness and Shipping, General Secretariat for Investments and Development, National Strategic Report NSRF 2007–2013, Athens, December 2009, p.121.

<sup>17</sup> In the cases of “Sterea–Thessaly–Ipeiros” and “South Aegean–North Aegean–Crete” the first is phasing in, the other two convergence; In the case of Eastern Macedonia and Thrace–Central Macedonia–Western Macedonia the first is convergence the other two phasing out! Western Greece–Peloponnese and Ionian Islands is a ROP composed of convergence regions only and Attica is a phasing out region with a ROP for itself, due to the size of the population and the economy.

<sup>18</sup> Cohesion Policy 2007–13, [European Cohesion Policy in Greece](http://www.espa.gr/elibrary/Xrimatodotiki_Katanomi_2007-2013.pdf), [http://www.espa.gr/elibrary/Xrimatodotiki\\_Katanomi\\_2007-2013.pdf](http://www.espa.gr/elibrary/Xrimatodotiki_Katanomi_2007-2013.pdf)

<sup>19</sup> [http://www.espa.gr/elibrary/Xrimatodotiki\\_Katanomi\\_2007-2013.pdf](http://www.espa.gr/elibrary/Xrimatodotiki_Katanomi_2007-2013.pdf)



programmes and eight sectoral programmes are co-funded by the ERDF, the Cohesion Fund and the ESF. Cohesion Fund resources go into infrastructure and environmental projects, while the ERDF funds projects supporting entrepreneurship, competitiveness and digital convergence. If analysed by Objective, EUR 635 million are earmarked for the Competitiveness and Employment Objective and EUR 19.6 billion the Convergence Objective. EUR 6.5 billion of the latter are allocated to the “phasing out” regions and the rest to the other eight regions.

The allocation of funds is in line with the policy objectives. Physical infrastructure continues to play a very important role: transport infrastructure and improvement of accessibility is expected to absorb more than EUR 5 billion in total. Environment and sustainable growth receive a similar amount, approximately EUR 5.5 billion<sup>20</sup>. Of this amount, about EUR 3.5 billion goes to environment infrastructure. Investment in RTDI was also regarded as essential for the development with over EUR 3.6 billion directed to R&D and innovation and around EUR 1.6 billion in ICT infrastructure and services<sup>21</sup>.

The differentiations in priorities between “convergence” and “competitiveness” objectives indicates that the “competitiveness” funding is concentrated more in entrepreneurship, research and technological development, education and human resources development and e-economy, while “convergence” priorities focus on transport infrastructure; mainly motorways, urban transport and urban development as well as environment and sustainability.

The cross-border cooperation programmes “Greece-Cyprus” (budget: EUR 58.3 million with 80% ERDF contribution), “Greece-Bulgaria” (budget: EUR 130.3 million with 85% ERDF contribution) and “Greece-Italy” (budget: EUR 118.6 million with 75% ERDF contribution), co-financed by the ERDF prioritise the reinforcement of competitiveness and entrepreneurship, promotion of research and innovation, improvement of quality of life, environmental security and sustainable development, reinforcement of accessibility and human resources development.

The national allocation of funds reflects the overall development objectives of the country. The regional allocation of funds follows population shares<sup>22</sup> (with the exception of Attica region which has the largest share of population).

After the crisis and following a change of the governing party in 2009 there is an effort to re-allocate funds to support specific sectors with emphasis on the green economy, tourism,

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<sup>20</sup> [http://ec.europa.eu/regional\\_policy/sources/docgener/informat/country2009/el\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docgener/informat/country2009/el_en.pdf)

<sup>21</sup> [http://ec.europa.eu/regional\\_policy/sources/docgener/informat/country2009/el\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docgener/informat/country2009/el_en.pdf)

<sup>22</sup> The largest amount went to Macedonia-Thrace, followed by Attica and Thessalia and Sterea Ellada, with the smallest amount going to Crete and Aegean Islands.

entrepreneurship and the energy sector. ERDF support to the domestic use of the renewable energy sources is seen as an opportunity to support low income groups<sup>23</sup>.

## POLICY IMPLEMENTATION

Commitments and expenditure until December 2009 were very low. During 2009, the funds spent were even less compared to 2008 (EUR 3 billion compared to EUR 6 billion). This applied for all the ROPs and OPs in Greece. This was due to a combination of factors: a slow start, as in most countries, characterised by preparatory work (studies and agreement on administrative procedures), the financial crisis, the change of government (which wanted to have its own development goals reflected in the NSRF) and the troika monitoring process, shifting emphasis to financial austerity and diminishing public spending<sup>24</sup>.

Relatively more successful was the “OP Competitiveness and Entrepreneurship” where the commitments and indicated expenditures reached 12.4% and 5.4% respectively. 32 calls were launched with a total budget of EUR 276.1 million, out of which EUR 154.8 million for the Convergence Objective and EUR 121.4 million for the Phasing Out and Regional Competitiveness and Employment Objective regions. Most significant delays are observed in the sectoral programmes “Digital Convergence” (especially, at the level of expenditure), “Environment / Sustainable Development” and “Technical Support for Implementation”; they had the lowest absorption until the end of 2009. Concerning the OP “Accessibility Improvement” progress is observed in the development of road transport and road networks. This is explained partly by the continuity of most projects, which were mature, since they were already in progress during the previous CSF.

Some improvements, mainly in terms of commitments made, are observed in the ROPs. According to the NSRF Implementation Report 2009, the corresponding commitments reached 13.4%, while the real expenditure stood at only 2.1%.

It was also observed that the level of activation of the programmes is higher in the case of the ERDF than that of the Cohesion Fund, due to the comparatively higher progress made in the implementation of the OPs funded by the ERDF, such as “Competitiveness and Entrepreneurship” and the corresponding ROPs<sup>25</sup>. The longest delays in the Cohesion Fund are observed in the environmental infrastructure, despite being a high priority of the current

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<sup>23</sup> Hellenic Republic, Ministry of Economy, Competitiveness and Shipping, General Secretariat for Investments and Development, National Strategic Report NSRF 2007–2013, December 2009, p.189.

<sup>24</sup> Hellenic Republic, Ministry of Economy, Competitiveness and Shipping, General Secretariat for Investments and Development, National Strategic Report NSRF 2007–2013, December 2009.

<sup>25</sup> Hellenic Republic, Ministry of Economy, Competitiveness and Shipping, General Secretariat for Investments and Development, National Strategic Report NSRF 2007–2013, December 2009.

government. Inadequate project maturity and slow political decision making are the main reasons behind that.

The share of commitments of the total allocations made for each objective are much higher for the “competitiveness” objective (16.3% or EUR 0.1 billion) than that of the “convergence” (6.5% or EUR 1.3 billion)<sup>26</sup>. Lower funds and better administrative skills in the competitiveness regions explain the difference.

All the three cross-border Programmes co-financed by the ERDF (namely, the “Greece–Cyprus”, “Greece–Bulgaria” and “Greece–Italy” programmes) are now at the process of evaluation of the proposals submitted for the first call announced in 2009.

Both commitments and expenditure increased rapidly in 2010. Interviews in individual ministries and managing authorities, as well as reports from the press, indicate new calls and commitments in larger projects in the last months. There is, however, no systematic quantitative evidence on that.

The inadequate progress in the implementation of the NSRF was mainly caused by five factors:

1. The inevitable delays created when closing the previous CSF, which absorbed all the resources of the national administration.
2. Administrative shortfalls persist despite much corrective action undertaken in the past based on the negotiations of the Greek government and the European Commission. A *special layer of administration* dealing with Structural Funds has been established over the years. Although some progress cannot be denied, it seems that the rules and organisations set up fall short of the expectations<sup>27</sup>. The new EU regulatory framework is assessed by the civil service as complicated and responding to bureaucratic requirements is particularly time-consuming (given the time needed for the competent authorities to familiarise)<sup>28</sup>. The process of transfer of administrative competences and the corresponding funds to intermediary managing authorities had mixed impacts. The new authorities, the special layer, were endowed with skilled, young employees and trained for more effective management. But at the same time their existence created occasionally administrative confusion, which caused problems in the common approach in the programming and management resulting in further bureaucracy and delays.

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<sup>26</sup> Hellenic Republic, Ministry of Economy, Competitiveness and Shipping, General Secretariat for Investments and Development, National Strategic Report NSRF 2007–2013, December 2009.

<sup>27</sup> Operational Programme Competitiveness and Entrepreneurship, Annual Implementation Report for 2009, 2010, pp 15–16.

<sup>28</sup> Operational Programme Competitiveness and Entrepreneurship, Annual Implementation Report for 2009, 2010, pp 15–16.

Employees in the civil service perceive two parallel administrations, those imposed for the management of the Structural Funds and the rest. This creates a feeling of alienation, which is occasionally reflected in lack of cooperation and synergies.

Provisions for better de-centralisation in the management of the funds and simplification of procedures were adopted in 2010 in an effort to speed up absorption and comply with the new time schedule adopted by the government<sup>29</sup>.

3. A corollary to that is the administration at the lower level, which remains problematic. *The project selection* mechanism is in that sense a significant burden, in particular for the ROPs. While at the sub-regional level prefectures and city councils may be aware of their needs declaring them and earmarking funds during the preparatory phase, they do not dispose of either the knowhow or the technical services to prepare their projects to be included in the ROPs. This leads to a vicious circle: national authorities do not transfer authority to the regions because of lack of competences, which in turn cannot improve if the region has no power. This vicious circle is hoped to be broken by the integration of smaller municipalities into larger ones.
4. *The financial crisis and in particular the severity of the Greek economic troubles* were (and to some extent continue to be) an impediment, as matching funds had partly to be cut down and were also partly delayed, until the concluding negotiation with the troika could point out where the final cuts would be. At the same time uncertainty in the market and liquidity problems in the banking sector reduced private demand, especially from SMEs.

Early in 2010 the financial rescue package was concluded and uncertainty regarding the matching funds was eliminated. The cuts were decided and the rest of the projects were liberated to proceed. An EUR 2 billion EIB loan was concluded to provide funding for the national contribution, eliminating an important barrier and accelerating implementation.

5. The change of government in autumn 2009 and its need to modify the development plan, within the legal framework already adopted by the previous government, created and additional delay of 3–9 months (depending on the competent ministry), but the government has now found its pace of operations.

## ACHIEVEMENTS OF THE PROGRAMMES SO FAR

The significant delays described above led to limited achievements in both the “competitiveness” and “convergence” regions. The first three-year period was dedicated mostly

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<sup>29</sup> Operational Programme Competitiveness and Entrepreneurship, Annual Implementation Report for 2009, 2010, pp 15–16.

to legislative, regulatory and administrative preparation of the management authorities and beneficiaries. At the lower administrative level studies were carried out to demonstrate the feasibility, cost benefit and occasionally anticipated impact of individual projects or programmes. The progress and achievements until December 2009 were almost exclusively either projects carried out from the previous programming period<sup>30</sup> or calls for proposals in the context of programmes already tested in previous periods (new rounds of calls of the same or slightly modified programmes). Only very few in 2009 but increasing in 2010 are the calls in the context of new programmes.

The quantitative data on the achievements include only few core indicators (“Jobs created” – defined as temporary jobs and “Number of direct investment aid projects to SME”) for which some data is available for 2009 in the ROPs. Data on progress of the output and results indicators is also missing. Thus, the further analysis of the achievements of the programmes could not be based on the data from indicators set, but on some, mostly qualitative, information available on the Annual Implementation Reports 2009 (AIRs).

No tangible outcomes are visible yet for the projects promoted by the three cross-border Cooperation Programmes. The first call for each Programme was only announced within 2009 and no projects are put into operation so far.

The allocation of funds is significantly influenced by the maturity of projects requesting funding. The objectives of entrepreneurship (especially, SMEs which are the base of economy in Greece) and transport infrastructure (mainly, motorways and clean urban transport, which are of the urgent need for the country) are the ones with the highest achievements.

According to the NSRF 2007–2013, the majority of the targets set are assessed as achievable as they were calculated based on the experience from the implementation of similar initiatives in the third CSF. The certification of beneficiaries and the reduction of their number improved the likelihood of better achievements compared to the previous programming period. However, concerns are still expressed for many beneficiaries, who were unable to comply with the requirements. There are also “risky” projects in terms of timeliness and even in terms of the likelihood of their implementation, such as large environmental, infrastructure or construction projects facing objections in the local community, complex construction projects particularly susceptible to external factors that may affect the course of their implementation and initiatives depending on public response (funding schemes).

More detailed analysis on the achievements of the interventions co-financed by the ERDF and the Cohesion Fund by Policy Area and visible at the moment is presented below.

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<sup>30</sup> It is common practice to over-commit funds at the end of a programming period and carry over the projects that are above the budget to the next programming period.

### **Enterprise support, including assistance to large firms, SMEs and handicrafts, RTDI**

The allocation of funds to increase productivity, entrepreneurship and competitiveness is higher in comparison to the past<sup>31</sup>. Unlike the 2000–2006 programming period, when, as it was assessed by the mid-term review, allocations for entrepreneurship were inadequate and did not lead to higher competitiveness<sup>32</sup>, more funds are now directed to the direct assistance of businesses. This is expected to improve results.

Enterprise support is covered mainly by the sectoral OP “Entrepreneurship and Competitiveness”. This programme covers the 8 “convergence” regions, but, through transfer of funds from the corresponding ROPs, it also covers the 5 transitional regions (3 phasing-out and 2 phasing-in “competitiveness” regions).

Indicative actions introduced by the Programme and being at a satisfying stage of activation are:

- **Guaranty Fund for Small and Very Small Enterprises**, which aims to provide working capital under very favourable conditions to small and very small firms. The fund pre-existed but its resources were increased to support SMEs’ increased liquidity problems because of the crisis. The first phase (Dec. 2008–May 2009) was funded by the NSRF and provided loans of EUR 3.23 billion to 27,069 SMEs. During the second phase 25,496 more companies were financed with an amount of EUR 1.75 billion, provided from the national resources<sup>33</sup>. The European Commission has expressed some doubts regarding the role of the Guarantee Fund, whereby ERDF funds are utilised to support operations (often of companies facing potential bankruptcy) instead of supporting restructuring. In addition, it seems that much of the guarantees provided are called in during 2010 and the current plan is to integrate the Guarantee Fund under the newly announced integrated scheme.
- **“Reinforcement of Youth Entrepreneurship”** and **“Support to female entrepreneurship”** – implemented by the Organisation for Small and Medium Sized Enterprises with a budget of EUR 24 million and EUR 16 million respectively: No results are available yet, but the programme subscription is quite satisfactory with 3,540 applications (budget: EUR

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<sup>31</sup> Hellenic Republic, Ministry of Economy, Competitiveness and Shipping, General Secretariat for Investments and Development, National Strategic Report NSRF 2007–2013, December 2009

<sup>32</sup> European Commission (2008) [Ex Post Evaluation of Cohesion Policy Programmes 2000–2006 financed by the European Regional Development Fund in Objective 1 and 2 regions. Work package 1: Coordination, analysis and synthesis. Task 4: Development and achievements in Member States – GREECE](#) prepared by the Applica-Ismeri Europa-wiiv Consortium

<sup>33</sup> Hellenic Republic, Ministry of Economy, Competitiveness and Shipping, General Secretariat for Investments and Development, National Strategic Report NSRF 2007–2013, December 2009

314.9 million) and 3,570 applications (budget: EUR 308.7 million) submitted within 2009 by entrepreneurs. They are currently under evaluation.

- The agreement with the EIB of the **JEREMIE** Initiative with a total budget of initially EUR 100 million for the development of financial instruments for SMEs. Under this decision, EUR 50 million budget action «Establishment of JEREMIE Holding Fund» was included in the OP, while the remaining EUR 50 million were directed to the 5 transitional regions for the development of the corresponding actions in their respective ROPs. An additional loan of EUR 150 million was agreed in 2010 and a target of EUR 500 million throughout the current programming period is reported in the press.

In the framework of the 5 transitional regions, the **“Support of Small and Micro enterprises, active in the fields of Manufacturing – Tourism – Commerce and Services”** is in the process of implementation. It aims at supporting small and micro enterprises by providing direct capital funding in order to increase their competitiveness.

The **spin off/spin out measure**, which is a modification of a two-phase measure implemented under the previous CSF, with 206 new companies already approved expands over the whole territory. However, applications are coming mainly from the Phasing-out and Phasing-in regions, which do not dispose of the funds necessary to cover demand. Conversely, demand from the convergence regions is lower. **“Innovation Vouchers”** (budget: EUR 8.4 million) are a new measure under implementation, but reservations are expressed regarding the process adopted. Another new measure, the **“Impact of the Support of groups of Small and Medium-sized Enterprises (SME) for RTD”**, has also worked appropriately in other environments and responds to the challenge identified and may bring about sufficient results in Greece as well (however, it is too early to make an assessment at that stage).

In 2010 new calls for proposals were launched, addressing Green entrepreneurship (to support companies to incorporate an environmental dimension in their operations), Green Infrastructures (supporting processing and services for the environment), a sectoral call for garment and footwear and Green Tourism (focusing on agro-tourism). The Ministry announced to the press that it expect to support 4,500 companies<sup>34</sup> with these calls and the calls ready to be published in the very near future on retail and on ICT support. Green and ICT calls are also referred to in the sections on the environment and infrastructures respectively.

The Ministry has also announced calls within 2010 for innovation clusters, cultural entrepreneurship, risk management and mitigation tools, microfinance, social entrepreneurship

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<sup>34</sup> Eleftehrotypia 4/7/2010

and ICT convergence. Based on this announcement the future calls will be endowed with EUR 1.5 billion<sup>35</sup>.

The majority of the measures are funded through traditional non-repayable grants. The introduction of more non-traditional financial instruments (such as those provided through JEREMIE initiative as well as loans directed to support small enterprises) could have led to greater mobilisation of enterprises and to increase the chance of their future viability.

### **Human resources**

Support for the development of Human Resources is earmarked in the sectoral OPs (“Development of Human Resources” and “Education and Life-long Learning”) and is mainly co-funded by the ESF. The funds coming for the ERDF address (via the ROPs) infrastructures in the form of schools and laboratories. They are easily identifiable needs and progress rapidly under the “Sustainable Development and Quality of Life” Priority Axis of each region<sup>36</sup>.

A significant lesson is learned in the area of human resources (actually earmarked under the Digital Convergence objective) in the case of the *Interactive Boards*, which would allow all classes to take place interactively, using an internet platform. This was an ambitious project, which could not be implemented because of administrative constraints. An initial distribution of computers to individual pupils in schools was changed into the provision of laptops kept in the school and used in class by each pupil under the responsibility of the teacher. Thus more students can be served and the creation of an educational platform can be exploited. Although funds were not sufficient a *flexibility clause* was used funding activities from the ESF reserve, although in reality it was an ERDF target. This raises questions about the role of the “one-fund” programming provision under the rules of the current programming period. Synergies between funds may make the management more difficult but increase the efficiency of interventions.

### **Transport and telecommunications**

Support to the area of “transport” is provided mainly through the projects promoted by the OP “Reinforcement of Accessibility”, co-funded by the Cohesion Fund and the ERDF. The majority of construction refers to the Greek sections in the construction of the trans-European transport infrastructure, with special emphasis on motorways (more than EUR 2.2 billion) and, to a lesser extent, railways. These priorities correspond to the real needs of the country given its geographic characteristics and inadequate conditions of transport infrastructure. The peripheral location of the country calls for the development of high quality connections to the rest of the continent.

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<sup>35</sup> Kathimerini 18.7.2010



Many of the projects in this area constitute the continuation of projects, which started in the previous period, among them Major Projects such as the Egnatia Odos (large motorway on the north-west of the country laying up to Bulgaria frontiers) and the interregional motorway Elefsina-Korinthos-Parta-Pyrgos-Tsakona. The connection of Egnatia with vertical axes is expected to improve the accessibility of many lower income municipalities. Road construction projects are by their nature complex and time-consuming, needing very detailed technical and legal studies, hence long time is needed for their implementation and tangible results. This is why the continuation from earlier periods is the most rapidly progressing part of the OP. However, significant delays in incorporation of projects as well as on the implementation of the expropriation or other preparatory works in the range of the projects observed in the current period may lead to significant divergence of the outcomes achieved and the targets set.

In addition to the trans-European and trans-regional transport infrastructure, inadequate road networking raises the need for development and upgrade of the regional/local road networks. The range of such road construction projects were included and promoted by both, the OP "Reinforcement of Accessibility" and the regional OPs.

Concerning the rail transportation, as in the previous period, support was focused on the large-scale projects for the upgrade of the underling rail networks (with the emphasis on trans-European sections) as well as to interconnections between the rail network and other modes of transport, mainly ports and industrial centres. The rail connection from Thessaloniki to Patras is considered of strategic nature. However, due to the extremely slow rates of incorporation of the projects no achievements were reported until 2009. Overall, the Hellenic Railways Organisation SA (OSE) is among the public agencies with vast deficits and its restructuring is part of the negotiation with the troika to reduce the public deficit. This, inevitably, creates hurdles to the implementation of its investment programme.

The Metro of Thessaloniki, started in 2003, is in significant delay and there are new negotiations between the government and the concessionaire to take decisions on the future of the project.

Major ports and smaller marinas are also supported. The two Major Projects (New Port in Patra, 1<sup>st</sup> phase and the New Port in Igoumenitsa, 3<sup>rd</sup> phase of the total budget of about EUR 300 million) are expected to be of relevance for the overall Greek transport and trade. Until the end of 2009, achievements were limited to preparatory studies (planning, cost-benefit and financial analysis). The inclusion of both projects in the OP "Reinforcement of Accessibility" will depend

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<sup>36</sup> Hellenic Republic, Ministry of Economy, Competitiveness and Shipping, General Secretariat for Investments and Development, National Strategic Report NSRF 2007-2013, December 2009

on the funding resources available<sup>37</sup> and the level of maturity of the projects. Several smaller port construction/upgrade projects are promoted and managed by the ROPs in maritime regions (mainly islands) for transport and leisure industries.

In air transport infrastructure, priority is given to the improvement of the “MAKEDONIA” airport of the city of Thessaloniki. Plans started in the previous CSF with the aim of increasing the number of airports receiving trans-Atlantic flies. Projects on the upgrade and modernisation of other existing airports are also envisaged in the ROPs, but concrete achievements are reported.

Support for the reinforcement of urban transportation is concentrated in the regions of Attica and Central Macedonia, which are the largest urban centres. They include the extension/creation of suburban railways, metros and clean road transport. Some projects for the construction of suburban railways and metros are the continuation of the projects launched in the previous period, such as the metro project in Athens. In the level of ROPs, support is mainly concentrated in the construction of national, regional and local roads, urban transportation. Greece has also signed a Memorandum of Understanding with the EIB for supporting urban centres through JESSICA funding.

In telecommunications support goes to ICT diffusion in both the business sector (with promotion of ICT in enterprises and support of entrepreneurship in the sector of information technologies, mentioned already under entrepreneurship) and public administration. Support is mainly provided through the OP “Digital Convergence”, funded by the ERDF (EUR 860 million). Projects promoted by the OP aim to increase the diffusion of information and communication technologies among citizens and SMEs and to support the state in e-government and e-health. Progress in the implementation of the OP is still low mostly composed of projects that are transferred from the previous CSF. However, the process of which ones will be transferred and which will not was still open during the interviews and expected to close in October 2010<sup>38</sup>.

Regarding the public administration e-government progressed in the past but due to a major reorganisation all new programmes/projects are on hold<sup>39</sup>. The only large-scale project in the field of telecommunications is the “Digital Class” project for a full-range utilisation of ICTs in the educational process. The first phase was launched in September 2009 (the distribution of

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<sup>37</sup> Operational Programme Reinforcement of Accessibility, Programming Period 2007–2013, Annual Implementation Report for 2009, June 2010

<sup>38</sup> This mainly concerns the “projects-bridges” that have been launched in the last CSF and are to be incorporated in the current period as well. The problem occurs because of the fact that the previous period projects have not been “closed” yet, but the new period projects could not be incorporated until the “closure” of the corresponding project from the previous period. This resulted in generally slow incorporation rates in the majority of the large-scale projects.

<sup>39</sup> In the context of the restructuring of the Greek economy small cities and municipalities are integrated into larger ones; this process is accomplished in 2010 and municipal elections will corroborate the process. However, the administrative changes have created major reactions, delays and need for reorganisation.

computers to pupils and the launch of their use in the educational process) and was already completed by the end of 2009. The project was submitted to the EC in April 2009 for its inclusion in the OP “Digital Convergence”, but it was withdrawn for “formal reasons related to the determination of a Major project”<sup>40</sup>. Part of the design of a new approach to digital class was financed by the ESF reserve, using the flexibility clause, as indicated above under the human resources section. One of the major problems of the country, namely the digitisation and audit control of public hospitals, has been within the ICT priorities for years but its implementation has not started yet. As the deficit of the national insurance and hospitals constitutes by now a significant share of the economic troubles of the country this is a priority area and no achievements there are a significant problem for the future.

Regarding state aid to the private sector small projects regarding digital security and equipment for electronic systems for smaller hotels have been completed. A number of new calls are expected in the near future for high tech ICT services, special support for companies along the Egnatia Road axis.

### **Environment and energy**

The election platform of the 2009 elected government included the green economy as one of its major components. Significant resources were already earmarked in the sectoral OP “Environment – Sustainable Development” (total EU funding: EUR 1.8 billion, co-funded by the Cohesion Fund (EUR 1.58 billion) and the ERDF (EUR 220 million). The ERDF funding concerns mostly the horizontally-applied actions. Priorities are waste water treatment and solid waste management infrastructure to comply with the EU environmental directives<sup>41</sup>.

The lion share of the funding goes for the management of waste water and water resources (more than EUR 1 billion is envisaged by the OP). The projects incorporated constitute only a small fraction of the total budget, demonstrating again very slow implementation. Substantial funding is also directed to prevention and confrontation of environmental danger (more than EUR 430 million). Few actions are envisaged as regards to the prevention of the climate change and to the diffusion of renewable energy. Interventions of this kind are also included in other OPs (described below).

According to the Ex-Ante Evaluation of the OP “Environment – Sustainable Development”, the funding allocated for the projects regarding the development of waste water and municipal

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<sup>40</sup> Operational Programme Digital Convergence, Programming Period 2007–2013, Annual Implementation Report for 2009, June 2010

<sup>41</sup> The country has received fines in the past for unacceptable solid waste treatment

solid waste facilities is sufficient. Doubts were expressed on the adequacy of financial resources for the development of drinking water and anti-flooding infrastructure<sup>42</sup>.

Constant delays led to significant deceleration of the implementation. As in other areas the competent authorities attribute them to the economic crisis, the government change and the administrative reorganisation. The Ministry of Environment, Energy and Climate Change (created by a reshuffling of previous ministries and directorates) announced new strategic goals and the relevant managing authority decided to proceed with major restructuring taking into consideration the new financial restrictions and budget cuts. Thus, the large-scale projects assessed as immature were withdrawn from the revised OP, making a provision for their re-incorporation in the future. Major delays (with almost no calls published so far) concerned actions under the ERDF funding. Hence, there is no evidence on achievements until the end of 2009.

The ROPs foresee substantial contribution to environmental sustainability through actions aiming at the efficient management of natural resources, promotion of “green” entrepreneurship and, generally, the reinforcement of environmental dimension in the productive processes<sup>43</sup>. Actions for the promotion of clean urban transport are mainly envisaged in the regions with high urban concentration (Attica and Central Macedonia). Indicative are also the initiatives for the management of solid waste promoted by the “Macedonia – Thrace” OP. The budget of EUR 45 million is divided among the already incorporated and implemented projects on sanitary landfills, shutting down all the currently active illegal disposal sites (HADA) and projects of similar scale and direction.

In the energy sector emphasis is given to energy saving by the municipal authorities in compliance with the revision of General Regulations and Regulations of the ERDF and in order to comply with European energy policy. The replacement and recycling of old and energy-consuming domestic air conditioning devices has been launched (budget: EUR 46.5 million). It is expected that 140,000 old devices will be replaced<sup>44</sup>. In order to facilitate the implementation of the measure, new regulation in support of domestic use of electric devices of high energy efficiency was adopted. The response of the public was more than satisfactory and the resources committed by far exceed the initially planned budget (that was only EUR 15 million)<sup>45</sup>.

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<sup>42</sup> Deloitte (2007), Ex-ante Evaluation Sectoral Operational Programme Environment & Sustainable Development, Executive Summary, March 2007, p. 14–15 (Executive Summary)

<sup>43</sup> Hellenic Republic, Ministry of Economy, Competitiveness and Shipping, General Secretariat for Investments and Development, National Strategic Report NSRF 2007–2013, December 2009

<sup>44</sup> Hellenic Republic, Ministry of Economy, Competitiveness and Shipping, General Secretariat for Investments and Development, National Strategic Report NSRF 2007–2013, December 2009

<sup>45</sup> Operational Programme Competitiveness and Entrepreneurship, Annual Implementation Report for 2009, 2010

The measure “I save” (budget: EUR 100 million) aims to enhance the energy efficiency in municipal buildings, transportation means etc through the implementation of good practices, adoption of new technologies and raising the awareness of citizens, local authorities, companies and other organisations<sup>46</sup>. The response on the call (budget: EUR 24.5 million) was quite high; 192 proposals were submitted and they are now under evaluation.

Another interesting example is the activities launched under the “Digital Convergence” aiming at the development of the national information system for the support of national programming of the renewable sources of energy (budget: EUR 1.2 million). The measure concerns the promotion of use of ICT in the sector of energy and the development of information technology instruments for the support of the development of renewable energy sources<sup>47</sup>.

The high priority given to the area of environment and energy in terms of number actions envisaged and the resources allocated is obvious. A large number of small projects have achieved their goals (occasionally even exceeded them) but the larger projects are delayed.

### SECTION 3 – EFFECTS OF INTERVENTION

The very low inclusion of concrete projects until the end of 2009, the even lower kickstart of implementations and funding and the virtually inexistent completed projects make it practically impossible to assess the effects of the intervention. One can only use references from the previous CSF of similar projects completed then, as well as indications from the ex-ante evaluations and the few cost-benefit analyses that exist to refer to potential rather than actual impacts.

Some general remarks may be important, however, when studying impact:

- While the design of the OPs is generally assessed to comply with the needs of the country and its development plans, the inclusion of projects into the relevant OPs follow criteria of maturity rather than impact. This is a general guideline for all ministries, but it is most visible for the ROPs, as the regional and municipal authorities are the ones with the most dubious capability to complete the preparatory studies on time<sup>48</sup>. While this will be an element of relatively reduced overall impact, it is understandable, that in a country with such a delay in absorption, maturity becomes the primary criterion of inclusion. Crucial projects, like the digitisation for the audit control of the public health

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<sup>46</sup> PRO INNO – Europe: INNO-Policy Trendchart: Greece – [Trendchart Support measures result](#)

<sup>47</sup> Hellenic Republic, Ministry of Economy, Competitiveness and Shipping, General Secretariat for Investments and Development, National Strategic Report NSRF 2007–2013, December 2009

<sup>48</sup> Despite efforts to certify final beneficiaries, only few are in a position to adequately design and implement complex projects.

and hospital costs are for instance still neglected, because of their (social rather than technical) complexity.

- Large projects, which were already launched under the previous CSF are now included in the new programming period to be completed and are the ones likely to have the highest impact. For the rest, the implementation is much more rapid in small calls than in larger projects.

The most visible impacts occur in infrastructure. The peripheral location of the country calls for the development of high quality connections to the rest of the continent. This is expected to allow for better networking with other European countries, reducing in average travel time and improving transportation conditions and, in this way, contributing to better trade and tourism relations with the rest of the EU and beyond. This assessment of the potential impact is based on the past experience: more than 2,000 km of the trans-European motorway was constructed or improved, reducing by 16% travelling time<sup>49</sup>. By the same token according to the assessments from the last CSF, the extension of the Athens Metro resulted in a notable reduction of cars in the city centre contributing to mitigation of congestion and air-pollution. The continuation of this work (planned extension of the Metro line for additional 8.2 kilometres) will further improve the situation in the city. Major delays in this area appeared in the stage of implementation and concerned metro projects (mostly due to the transfer of competency for several projects from the OP Reinforcement of Accessibility” to the OP “Environment – Sustainable Development”).

The impact of ports and airports is conditional to their implementation. Given the strategic importance of Patra and Igoumenitsa as two of the major ports in the country, the upgrade of their port infrastructure will be important (if included again in the relevant OP) for the internal transportation as well as for the country’s transportation and trade relation with third countries. The same applies to the Thessaloniki airport, which, if succeeded, it is expected that the trans-Atlantic flies per day will be doubled.

In the “Environment – Sustainable Development” OP concerns were expressed regarding the expected impact of the Programme on employment with the expected job positions created during the implementation phase being overestimated<sup>50</sup>. Moreover, due to the nature of such kind of projects, further serious delays may be caused by opposition of the local communities

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<sup>49</sup> European Commission (2008) [Ex Post Evaluation of Cohesion Policy Programmes 2000–2006 financed by the European Regional Development Fund in Objective 1 and 2 regions. Work package 1: Coordination, analysis and synthesis. Task 4: Development and achievements in Member States – GREECE](#) prepared by the Applica-Ismeri Europa-wiiv Consortium

<sup>50</sup> Deloitte (2007), Ex-ante Evaluation Sectoral Operational Programme Environment & Sustainable Development, Executive Summary, March 2007, p. 17 (Executive Summary)

with regard to their implementation, that is, for example, to the construction of sanitary landfills or waste water management infrastructure on their region<sup>51</sup>.

The impact of the thinly spread funds to SMEs creates also some concern. Although the total funds earmarked for competitiveness and state aid are larger than in the past, the type of interventions remains very similar to those with limited impacts in the past. With the exception of the emphasis given on Green technologies–economy–tourism, which seem to constitute a new focus of clustered activities, the achievements as yet are very similar to those which materialised during the period that Greece downgraded rapidly in all international competitiveness rankings. The de minimis rule is applied very frequently with no efforts to create synergies, while cluster activities announced have no visible impacts.

The priority of absorption (because of delays in implementation) and the current organisation of centrally managed regional funds (often seen as retrogression compared to the previous period) is believed by some policy makers to be at the origin of reduced impacts. A power game between central ministries and regional authorities, accompanied by inadequate regional and local administrations lead to common policy designs for all regions, despite their different needs and models.

## SECTION 4 – EVALUATIONS AND GOOD PRACTICE IN EVALUATION

There is not much good practice in evaluation in Greece. The administration has no evaluation culture, there is limited transparency on studies and performance indicators are not generally adopted as a monitoring tool for the implementation of development policies.

*The Greek administration does not have an evaluation culture.* Ministries comply with the obligations to the European Commission and ex-ante evaluations are carried out for all OPs. They apply the EU guidelines and there are no methodologies of special interest. The slow pace of the administration leads often to rapid procedures and utilisation of the same evaluation teams for updating and mid term reviews. In certain cases interviewees claim<sup>52</sup> that the Technical Assistance funds are spent without any quality control and pressure from the side of the administration. Launching meta-evaluation studies and requesting individual programmes to use in their justification the evidence from internal evaluations (if no external evaluations exist) is a first step into the right direction. However, what is really needed is the systematic development of an evaluation culture, with carefully designed steps to introduce a policy evaluation cycle (design–implementation–evaluation), as in the most efficient administrations.

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<sup>51</sup> Ibid. P. 15

<sup>52</sup> This is also reported in the press, but without any specific evidence.

*Limited transparency.* A systematic look on all the relevant websites suggests that only the ex-ante evaluations and in certain cases Strategic Environmental Assessment Studies are available. No broader or thematic evaluation and impact assessment studies have been undertaken.

Identifying smaller ones is not possible:

- The Technical Assistance has funded many studies (e.g. Cost-benefit analyses are mandatory for projects that exceed a budget of EUR 50 million and environmental impact assessments are also mandatory) but as it does not have its own website it is not easy to retrieve them and identify studies with elements of review, evaluation or impact assessment. Hence, although all studies funded by the Technical Assistance have to be available to the public, they are either unavailable or scattered in different websites that make them difficult to retrieve.
- Internal evaluations are carried out for the continuation of certain programmes in the administration but they are not publicly available.
- Good will to proceed with systematic reviews or evaluations is sometimes buried under other, more urgent priorities absorbing human resources. A case to be reported is the decision of the General Secretariat of Research and Technology to request an OECD review for S&T in the country. The review started but has never been completed, each side blaming the other for delays leading to cancelling the review.

Lack of external evaluations and lack of systematically and transparently publishing all Technical Assistance supported studies needs to be addressed. Monitoring the studies funded through the Technical Assistance through their assessment and publication in one dedicated website (possibly in parallel with the regional and ministerial websites where they belong) is an easy first step towards transparency and input to a broader evaluation strategy.

Finally a major problem associated with the limited evaluation and studies is the *lack of performance indicators*, thought to be a barrier in the implementation, limiting the degrees of freedom of the political authorities. The National Strategic Reports and the Implementation Reports should include clear performance indicators to help assess progress and programme achievements. A special section with performance indicators, justifying their selection, will help establish the much needed evaluation culture. As yet monitoring and controls have an audit nature and do not go deeper into the content of the interventions. Ex-ante agreed performance indicators at the programme or larger project level will help shift from pure audit to real evaluation procedures.



## SECTION 5 – CONCLUDING REMARKS – FUTURE CHALLENGES

Implementation is delayed in Greece and the first challenge is to speed it up. However, speeding it up is not a goal per se and should be accompanied by prioritising what is expected to have the highest impact in the current, economically very challenging period the country is going through.

Programmes launched and projects started need to be accomplished rapidly. The following challenges accompany this process:

1. *Tackle the problems of the national and regional administration.* It is important to assure an as smooth as possible process of cooperation of the various, complex and occasionally competitive layers of the public administration. This applies to central ministries and the newly created (larger than in the past) municipalities. Over the years and with the experience gathered some progress has been made (the not perfect but at least operational integrated information system; the certification of certain municipalities and other beneficiaries; the improved skills in certain services) but in other cases there are still major problems. Re-engineering and adaptations are urgently needed to make the administration deliver. Inter-administrative cooperation and the endowment of smaller units with the necessary means are relevant issues.

One specific aspect in the improvement of the administration is the power play between national and regional development planning. Although funds are now the responsibility of the regional authorities planning is still central and regions comply with centrally coordinated, mostly homogenised priorities. The argument for are lacking administrative skills at the regional level. A vicious circle between skills and autonomy needs to be broken (possibly with one pilot region).

2. It is equally important to *prioritise the projects/activities that are of high relevance and potential impact for the economy of the country.* Significant priority areas, identified in the negotiation of the troika and the Greek government, should become the focus of the programme in the near future. Most prominent among them are large foreign and domestic investments as well as controlling (through ICT) the deficit of the public health and hospitals and ICT.
3. *More focus and synergy creation is crucial.* The thinly spread small projects supporting SMEs and micro-firms need to go beyond the target of sustaining individual companies and be aggregated into larger entities/networks to create competitive advantages for the country. The Green Economy axis may be a step in the right direction, but it needs to be more carefully designed, in particular through the study of potential economies of

scope across the different small initiatives. Coordination across programmes and regions may be needed for ensuring such synergies.

4. Anecdotal evidence from the past indicates that it is crucial to *ensure capacity utilisation of smaller projects*. Projects that were funded under earlier ERDF support are for several reasons (such as lack of operational funding, lack of an administrative framework allowing for innovative operations, lack of monitoring) not – or not fully – utilised. This is a significant problem that determines deviations between achievements and impact and needs to be addressed in priority. Systematic monitoring and support from the ERDF to assure sustainability and capacity utilisation are important future challenges, possibly connected to the evaluation culture needed, as indicated below.
5. Finally, it is important to *adopt a culture of evaluations* combined with transparency and stakeholder involvement to improve governance. While stakeholder involvement has started for the first time in the country, through a mandatory consultation process, evaluations remain restricted to the formal requirements of the EU. Insufficiently user-friendly websites of the studies launched through the technical assistance, inaccessible internal evaluations and lack of explicit pre-agreed performance indicators are problems, which need to be eliminated to improve the efficiency and impact of regional development support.

## REFERENCES

### Relevant evaluations implemented in Greece

ECORYS Nederland BV (2006) Study on Strategic Evaluation on Transport Investment Priorities under Structural and Cohesion Funds for the Programming Period 2007–2013, Report Greece to the European Commission, August 2006

*Scope: Specific aspects of the Cohesion Policy*

*Focus: provide an analysis of the situation in selected fields relevant to transport, assess the contribution of Structural and Cohesion Funds relative to the current and previous programming periods.*

*Method used: impacts assessed with the support of the SASI model*

*Period referred: Analysis of the 2004–2006 period and recommendations for the 2007–2013*

European Commission (2008) Ex Post Evaluation of Cohesion Policy Programmes 2000–2006 financed by the European Regional Development Fund in Objective 1 and 2 regions. Work package 1: Coordination, analysis and synthesis. Task 4: Development and achievements in Member States – GREECE prepared by the Applica–Ismeri Europa– wiiw Consortium

*Scope: Across operational programmes*

*Focus:*

- “Summarise the main aspects of regional disparities, the changes in these which occurred over the 2000–2006 programming period and the principal features of regional development policy over this period in terms of the objectives, the way that it was implemented and the contribution of the Structural Funds”;
- Review “the evidence on the effects of policy as regards both the direct results of expenditure in the different policy areas and the wider impact on development as such”

*Method used: The evaluation is based on the three following primary sources of information:*

- Eurostat (statistical data on regional and national developments over the period),
- INFOVIEW database maintained by DG REGIO (data on the allocation of funding and expenditure),
- various programming documents and national evaluation reports as well as from impact studies (information on policy objectives, on the results of expenditure and the wider effects of this and on the procedures adopted as regards the implementation of policy)

*Period referred: 2000–2006*

GHK et al. (2006) Strategic evaluation on Environment and Risk Prevention under Structural and Cohesion Funds for period 2007–2013, National Evaluation Report for Greece, Report to the European Commission, November 2006

*Scope: Specific aspects of the Cohesion Policy*

*Focus: Evaluation of the environment and risk prevention and identification of the environment investment priorities*

*Method used: Assessment was carried out based on the range of data from different sources*

*Period referred: Analysis of the 2000–2006 period and recommendations for the 2007–2013*

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*Scope: Specific aspects of the Cohesion Policy*

*Focus: Provide conclusions and recommendations (basic strategic and operational orientations) for Structural Fund investments in innovation and knowledge*

*Method used: Assessment was carried out based on the range of data from different sources*

*Period referred: Analysis of the 2004–2006 period and recommendations for the 2007–2013*

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*Scope: Specific aspects of the Cohesion Policy*

*Focus: territorial section of Thessaly, Epirus and Mainland Greece*

*Method used: Assessment was carried out based on the range of data from different sources*

*Period referred: 2007–2013*

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*Scope: Specific aspects of the Cohesion Policy*

*Focus: territorial section of Crete and Aegean Islands*

*Method used: Assessment was carried out based on the range of data from different sources*

*Period referred: 2007–2013*

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*Scope: Specific aspects of the Cohesion Policy*

*Focus: territorial section of Western Greece, Peloponnese and Ionian Islands*

*Method used: Assessment was carried out based on the range of data from different sources*

*Period referred: 2007–2013*

LKN ANALYSIS Ltd. (2007), Ex-ante Evaluation Regional Operational Programme Attica, Executive Summary, October 2007

*Scope: Specific aspects of the Cohesion Policy*

*Focus: territorial section of Attica*

*Method used: Assessment was carried out based on the range of data from different sources*

*Period referred: 2007–2013*

EEO GROUP (2007), Ex-ante Evaluation Regional Operational Programme Macedonia – Thrace, Final Deliverable, July 2007

*Scope: Specific aspects of the Cohesion Policy*

*Focus: territorial section of regions Central Macedonia, Western Macedonia and Eastern Macedonia and Thrace*

*Method used: Assessment was carried out based on the range of data from different sources*

*Period referred: 2007–2013*

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*Scope: Specific aspects of the Cohesion Policy*

*Focus: on the country's transportation infrastructure sector*

*Method used: comments on the SWOT analysis and the socio-economic analysis*

*Period referred: 2007–2013*

Planet Consulting S.A. – Institute of Communications and Computer Systems (ICCS) (2007), Ex-ante Evaluation Sectoral Operational Programme Competitiveness and Entrepreneurship, Final Deliverable, February 2007

*Scope: Specific aspects of the Cohesion Policy*

*Focus: on the field of competitiveness and outward orientation of the country's businesses and production system, placing special emphasis on innovation*

*Method used: comments on the SWOT analysis and the socio-economic analysis*

*Period referred: 2007–2013*

Deloitte (2007), Ex-ante Evaluation Sectoral Operational Programme Environment & Sustainable Development, Executive Summary, March 2007

*Scope: Specific aspects of the Cohesion Policy*

*Focus: on the management of the environment*

*Method used: comments on the SWOT analysis and the socio-economic analysis*

*Period referred: 2007–2013*

Advice Management Consultants S.A. (2007), Ex-ante Evaluation Sectoral Operational Programme Technical Support for Implementation, 2007

*Scope: Specific aspects of the Cohesion Policy (improving administrative functionality)*

*Focus: evaluation of the SWOT analysis of the programme*

*Method used: Assessment was carried out based on the range of data from different sources*

*Period referred: 2007–2013*

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## TABLES

See Excel file for Tables 1, 2 and 3.

Table 1: Regional disparities and trends

Table 2: Macro-economic developments

Table 3: Financial allocation by main policy area