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Fifth Activity Report of the Task Force for Greece: Supporting vital reforms

The Commission's Task Force for Greece has published its fifth activity report, covering the period April-September 2013. This period has witnessed a broadening and deepening of the technical assistance provided by the Task Force, which supports the Greek authorities in implementing the economic reform agenda linked to the country's financial assistance programme, as well as in making the best possible use of the country's allocation of EU Structural and Cohesion funding.

Vice-President Olli Rehn, responsible for Economic and Monetary Affairs and the Euro, said: "While we are seeing encouraging signs of stabilisation in the Greek economy and expect a return to positive growth in 2014, the situation remains very difficult for Greek citizens, not least the dramatically high numbers of unemployed. The structural reform programme is an agenda for a sustainable recovery in growth and job creation, and the Task Force for Greece is working hard to support the Greek authorities in its implementation. It is particularly encouraging to see the strong improvement in Greece's absorption of EU funding, which is an essential source of investment at this time."

Good progress has been made in unlocking infrastructure investments. Work on four large motorways with a combined value of €7.6 billion, which has been suspended for three years due to the crisis, is close to being restarted, with EU clearance and financial support expected in the coming weeks. The Task Force has been providing advice and guidance to help kick-start the completion of these projects.

One of the most striking improvements to which the Task Force, along with other parts of the European Commission, has contributed has been Greece's increased absorption of Structural and Cohesion Funding. Of the €20 billion currently available to Greece from the EU budget, 67.5% had been disbursed by the end of September, up from 49% at the end of 2012. Since December 2011, Greece has risen from 18th position to 6th in the EU league table of Structural Funds absorption, representing a much-needed injection of liquidity into the economy.

In the area of public finances and tax collection, technical assistance has been instrumental in setting up new structures for public financial management and public revenue administration. There are signs of increased efficiency in the tax administration and the number of completed audits of large taxpayers has more than doubled over the first seven months of the year compared to 2012 (164 vs 66).

The Task Force is also working closely with the authorities to improve the quality of apprenticeships and vocational training.

Lastly, the Task Force has provided support for a national anti-corruption strategy and the appointment of a national coordinator to oversee its implementation, which is already underway. Training in identifying money laundering and tax evasion has been provided to over 500 officials. Technical assistance has supported the preparation of legislation to set up a new registry of bank accounts and helped boost the capacity of the Financial Intelligence Unit (the anti-money laundering and counter-terrorism funding authority). This has resulted in the reporting of 1130 cases of suspected tax evasion, the transmission of 313 cases to the Prosecutor's Office and freezing of assets worth €133 million.

Well-targeted and appropriately resourced technical assistance plays an important role in supporting the necessary reforms of the Greek economy, as does the continued commitment and determination of the Greek authorities.

Going forward, the Task Force considers that technical assistance will be particularly important in the following three areas in order to support Greece's economic recovery:

1. Supporting the sound functioning of the tax administration, to enable the Greek authorities to increase public revenues and achieve a fairer distribution of the tax burden.
2. Taking forward the reform of central government ministries and entities, to build a public administration that is better able to serve the needs of citizens and companies and with the capacity to support the implementation of reform efforts.
3. Helping to create a supportive and predictable business environment, because growth and job creation depend on thriving companies with access to liquidity and markets and able to seize new commercial opportunities.

Background

The Task Force for Greece was launched on 20 July 2011 with the mandate to identify and coordinate the technical assistance that Greece has requested in order to deliver commitments undertaken in its economic adjustment programme. It also works to accelerate the absorption of EU funds in order to sustain economic growth, competitiveness and employment.

This initiative was supported by the European Council on 21 July 2011, which stated that "...Member States and the Commission will immediately mobilise all resources necessary in order to provide exceptional technical assistance to help Greece implement its reforms..."

The Task Force began its work three months later. Today, it coordinates technical assistance across 12 broad policy domains, each comprising a number of specific projects: acceleration of cohesion policy projects; financial institutions/access to finance; administrative reform; budget and taxation; anti-money laundering and anti-corruption; business environment; health reform; judicial reform; labour market, social security, innovation and education; asylum and migration; privatisation and land registry; and network industries and services.

It reports to President Barroso and works under the political guidance of Vice-President Olli Rehn. The Head of the Task Force, Horst Reichenbach, reports regularly on progress to the Greek authorities and to the Commission.

The Task Force consists of around 60 staff and is based jointly in Brussels and Athens.

Many Member States – notably France, Germany and the Netherlands – have also made large numbers of senior experts and officials available, often assuming the full costs of this contribution.

For more information:

Link to 5th quarterly report:

http://ec.europa.eu/commission_2010-2014/president/pdf/qr5_en.pdf

Link to MEMO Q&A:

[MEMO/13/920](#)

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