

# Modernising the Legal Framework of the Public Investment Programme

Deliverable 4: Project Final Report

**Technical Support Instrument**

*Supporting reforms in 27 Member States*



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*This document is based on the PM<sup>2</sup> project management methodology*

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Version	Date	Change Summary
v 0.2	29/03/2024	Final Submission
v 0.1	05/01/2024	Initial Submission

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## ABBREVIATIONS

Abbreviation	Definition
BIG	Business Implementation Group
BM	Business Manager
BoG	Bank of Greece
DG REFORM	Directorate General for Structural Reform Support
EP	Engagement Partner
MoE	Ministry of Education
MoEF	Ministry of Economy and Finance
MoMs	Minutes of Meeting
NDP	National Development Program
OPEKEPE	Greek Payment Authority of Common Agricultural Policy
PCT	Project Core Team
PIB	Public Investment Budget
PID	Public Investment Directorate
PIP	Public Investment Programme
PM	Project Manager
PM <sup>2</sup>	Project Management Methodology
PPCT	Provider's Project Core Team
RfI	Request for Information
RfS	Request for Service
RRF	Recovery and Resilience Facility
SteerCo	Steering Committee

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# 1. Introduction

This document is the closing part of the Activity 4, whose purpose is the conclusion of the Project entitled “*Modernising the Legal Framework of the Public Investment Programme*”.

There are three outputs for this Activity: namely Deliverable 4 – Project Final Report & 2-page Summary, Deliverable 4 - Project Presentation and Deliverable 4 - Factsheet.

The Project Final Report, along with the 2-page Summary, can be used for the presentation of the results to stakeholders.

The Project Presentation aims to provide to the Contracting Authority and the Beneficiary with a concise and coherent overview of the Project’s key findings and lessons learned.

The Factsheet summarizes the final implementation facts, including objectives, activities and results achieved.

The structure of this report is based on the following Sections:

- ▶ Project Overview
- ▶ Lessons Learned
- ▶ APPENDIX I – Summary
- ▶ APPENDIX II – Project Presentation (PowerPoint)
- ▶ APPENDIX III – FactSheet
- ▶ APPENDIX IV – Consolidated Table of Project Deliverables
- ▶ APPENDIX V – Consolidated Table of Project Artefacts

# 2. Project Overview

The present report was developed as the Final Report of the Project “*Modernising the Legal Framework of the Public Investment Programme*”, which is funded by the Directorate General for Structural Reform Support (DG REFORM) of the European Commission via the Technical Support Instrument [Regulation (EU) 2021/240] and is executed under Specific Contract No. REFORM/SC2021/037, implementing Framework Contract Procedure No. SRSS/2018/01/FWC/002.

EY provided support to the Public Investment Directorate (PID) of the Ministry of Economy and Finance (formerly part of the Ministry of Development and Investment), in modernising the legal framework of the Public Investment Programme (PIP) in a comprehensive manner. The Public Investment Budget (PIB) has increased substantially from 2020 onwards to accommodate the extensive investment needs due to the Covid-19 pandemic, as well as to set the inflow of funds from the Recovery and Resilience Facility (RRF) and to facilitate the implementation of the new strategic development plan in the context of the New Programming Period 2021-2027. Consequently, to ensure the seamless implementation of the PIP, it was crucial to set up a proposal for a new consolidated and flexible institutional and operational framework.

In order to address the key bottlenecks that hamper the PIB execution and efficiency, namely the complex and fragmented legal framework regulating the PIP and affecting the rate and

efficiency of the absorption of the EU and national funds that are available for investment, the Provider worked closely with the Beneficiary to identify and mitigate major systemic issues. In specific, efforts were made on the following areas:

- ▶ Specifying the criteria affecting PIP's project selection processes
- ▶ Clarification of processes related to indirect payments and subsidies
- ▶ Simplification/reduction of the required documentation for the PIP execution
- ▶ Ensuring efficient coordination between the competent authorities
- ▶ Amendment of enabling provisions for the rationalisation of secondary legislation
- ▶ Homogenisation of the administrative management of classified projects
- ▶ Smooth transition to the National Development Program
- ▶ Decrease of the Bank of Greece's accounts

## 2.1 Objectives & Work Plan

The key objectives of this Project are listed below:

- ▶ The consolidation, simplification and modernisation of the Greek legal framework regulating the PIP.
- ▶ The establishment of efficient, streamlined, and transparent procedures for the execution of the PIP, through the designing of draft proposals for PIP legislation (primary & secondary).

This Work Plan below summarizes the deliverables timeline:

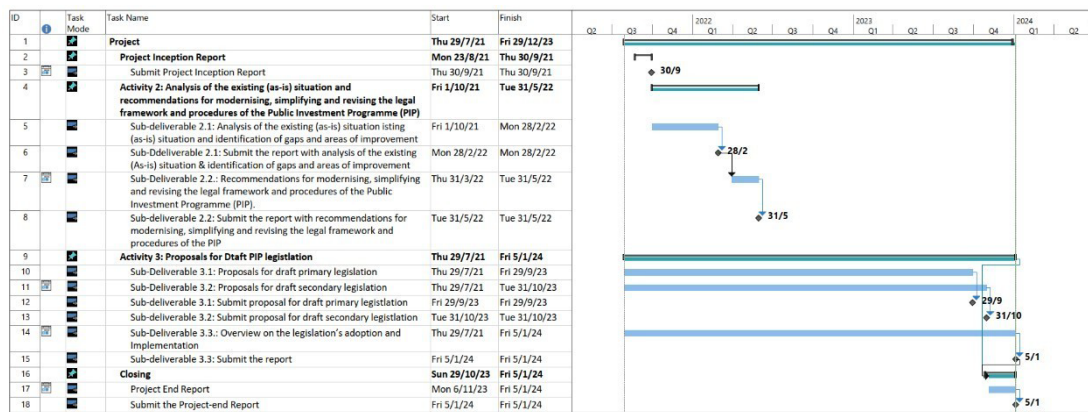


Figure 1 Work Breakdown and Deliverables

## 2.2 Stakeholders

This Project had the following key participants:

- ▶ Public Investment Directorate of the General Secretariat of Public Investments of the MoEF (PID) – Beneficiary
- ▶ DG REFORM – Contracting Authority
- ▶ EY Greece – Provider

Based on the project workings and activities, apart from the PID as the primary Beneficiary, some additional stakeholders have been consulted for the Project, which include:

## Stakeholders Table

### Other Stakeholders

- ▶ General Directorate of Financial Service of the Ministry of Rural Development and Food
- ▶ Special Management Service for EP "Rural Development of Greece 2014-2020"
- ▶ Payment and Control Agency for Community Guidance and Guarantee Aids (OPEKEPE)
- ▶ General Directorate of Financial Service of the Ministry of Environment & Energy
- ▶ Special Management Service for EP Infrastructure, Transport, Environment & Sustainable Development (YMEPERA)
- ▶ Strategic NSRF structure of the Ministry of Infrastructure and Transport (Infrastructure and Transport Sector (EDIMET/INFRASTRUCTURE))
- ▶ Strategic NSRF structure of the Ministry of Environment & Energy (environmental Sector)
- ▶ Strategic NSRF structure of the Ministry of Environment & Energy (energy Sector)
- ▶ ATTIKO METRO SM-LLC
- ▶ General Directorate of Financial Service of the Ministry of Climate Crisis & Civil Protection
- ▶ General Directorate of Financial Service of the Ministry of Migration & Asylum
- ▶ Directorate-General for the Coordination and Management of Asylum, Migration and Integration Fund and Internal Security Fund Programmes and other resources
- ▶ EYSYD MEY (Special Service for the Coordination and Management of Migration and Home Affairs Programmes)
- ▶ YDEAP (Service for the Management of European & Development Programmes)
- ▶ General Directorate of Financial Service of the Ministry of Development and Investment
- ▶ Special Management Service for EP European Competitiveness, Entrepreneurship, and Innovation (EPANEK)
- ▶ Intermediate Body for Competitiveness Operational Programmes (EFEPAE)
- ▶ General Directorate of Financial Service of the Ministry of Education (MoE)
- ▶ Special Management Service for EP Human Resources Development, Education & Lifelong Learning
- ▶ Strategic structure of the Ministry of Education / special account of the MoE
- ▶ Special account for research funds of the University of Athens
- ▶ Directorate of Development Programming of Thessaly
- ▶ Special Management Service for EP Management of the Region of Thessaly
- ▶ Municipality of Trikala
- ▶ Regional Development Fund of Attica
- ▶ Special Institutional Support Service

- ▶ Single Payment Authority
- ▶ Court of Auditors
- ▶ Bank of Greece (BoG)
- ▶ General Accounting Office of the State
- ▶ Hellenic Federation of Enterprises (SEV)
- ▶ Technical Chamber of Greece (TEE)
- ▶ National Transparency Authority

## 2.3 Management Approach & Governance

To efficiently manage the Project, we used the **PM<sup>2</sup> Methodology** endorsed by the European Commission.

This involved a Project Manager (PM) to oversee the entire engagement, ensuring improved alignment, coordination, and overall management quality across projects. This approach ensured the successful implementation of the reform. The management of this Project was facilitated through the use of project artefacts such as the Inception Report, Project Logs, Meeting Agendas, Minutes of Meeting and Project Progress Reports.

**The added value of our approach was the integrated and holistic method applied.** Both the management method and the project deliverables were tailored to the contractual requirements and Beneficiary needs, following a needs analysis and requirements collection through dedicated workshops, consultations, and interviews. The collected information was then consolidated to form part of the updated project documentation.

For this Project, the PM<sup>2</sup> life cycle was adopted as it is considered not only simple but also very effective, organizing the management activities in 4 consecutive and overlapping Phases (Initiating, Planning, Executing, Closing), as well as one overarching process (Monitor & Control).

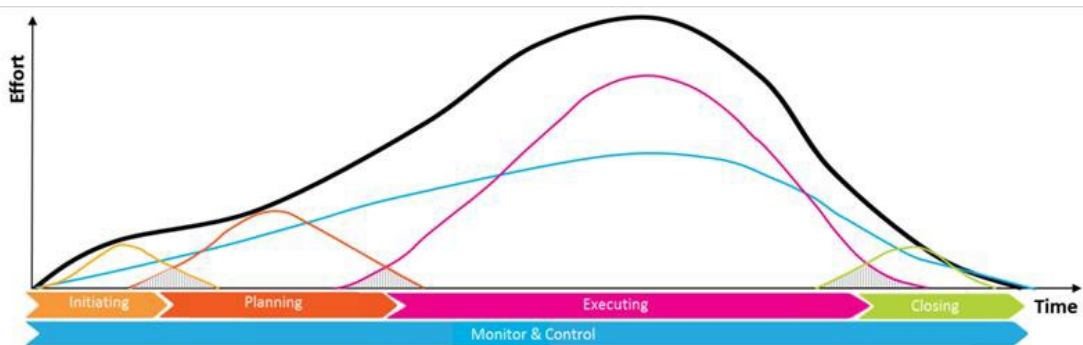


Figure 2 The Project Management Lifecycle

**Project governance** is the management framework within which all project management decisions are made. It defines the project roles and their associated responsibilities while also describing reporting and escalation lines.

It also defines the distribution of the management responsibilities to the various project roles, so it is known who has to do what in relation to all project management activities necessary for the management of this contract.

The chart below provides an overview of the project organisation, showing the relations between the various roles in the various governance layers. As a principle, we always aim to make effective decision at the lowest possible level, however, as each higher layer typically holds stronger decision authority than the layers below, they are considered as an escalation point for decisions in the cases where issues, conflicts or risks cannot be resolved within a lower layer.

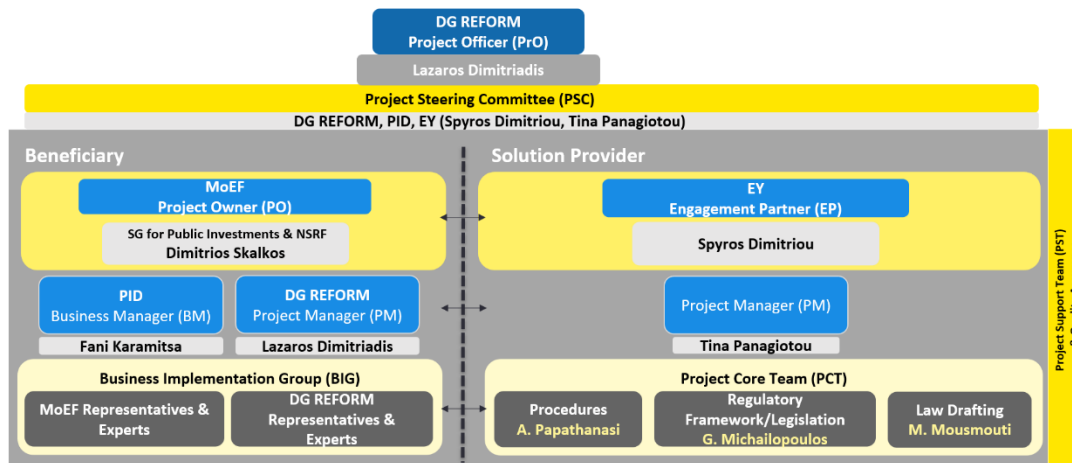


Figure 3 The Project Governance Model

## 2.4 Management Artefacts

The management of this Project was facilitated by the use of a number of project artefacts. These are listed in the table below:

A/A	Key Artefact Name	Type
1	Inception Report	MS Word
2	Meeting Agendas	MS Word
3	Minutes of Meeting	MS Word
4	Project Progress Reports	MS Word

## 2.5 Project Meetings

This section presents the meetings that took place throughout the Project.

### 1) Preparatory meeting for the Kick-off Meeting

In the commencement of the Project, a preparatory meeting for the Kick-off Meeting was held via videoconference (Microsoft Teams) between DG REFORM, PID and EY Greece representatives.

A/A	Meeting Type	Date	Documents
1.	Preparatory Meeting for the Kick-off Meeting	22/07/2021	Agenda, MoMs

During this meeting, the Beneficiary specified the main objective of the Project and the Provider presented a high-level project approach, the work plan, the Project Core Team (PCT), as well as the project schedule and important milestones. The precise date of the Kick-off Meeting was also defined.

The below Sub-Deliverables were also produced:

- ▶ Meeting Agenda
- ▶ Minutes of Meeting (MoMs)

## 2) Kick-off Meeting

The Kick-off meeting was held via teleconference (Microsoft Teams), where representatives from DG REFORM, PID and EY Greece participated.

A/A	Meeting Type	Date	Documents
1.	Kick-off Meeting	29/07/2021	Agenda, PPT, MoMs

During the meeting, the main points of discussion concerned:

- ▶ the objectives of the Project,
- ▶ its planning and management,
- ▶ the Governance and the participating Roles,
- ▶ the approach and methodology to be followed,
- ▶ the timetable and milestones,
- ▶ the way of communication between the parties.

The below Sub-Deliverables were also produced:

- ▶ Kick-off Meeting Agenda
- ▶ Kick-off Meeting Presentation
- ▶ Kick-off Minutes of Meeting (MoMs)

## 3) Project Inception Report Planning Meeting:

After the Kick-off Meeting, a planning meeting of the Project Inception Report was organized by the Provider, with the participation of representatives from DG REFORM and PID.

A/A	Meeting Type	Date	Documents
1.	Project Inception Report Planning Meeting	13/09/2021	Agenda, MoMs

During the meeting, the main points of discussion concerned: the goals, expectations and activities of the Planning Phase, the planning and overall timeline for each Deliverable, the main

elements of the Provider’s proposal as well as the contractual obligations, the Project’s governance structure, the composition, and the responsibilities of the Provider’s Project Core Team (PPCT) and the Business Implementation Group (BIG), the overall approach of the Project, the project plans, potential risks, constraints, and assumptions, as well as supporting tools. Additional points discussed were the content of the Inception Report, the dates of the next workshops for the second Deliverable, the stakeholders involved in the PIP processes and relevant material to be shared from previous projects, upon the submission of the RfI.

The below Sub-Deliverables were also produced:

- ▶ Meeting Agenda
- ▶ Minutes of Meeting (MoMs)

#### 4) SteerCo Meetings

The frequency of Steering Committee meetings was set to 4 months or as required. Therefore, four (4) SteerCo meetings took place during the Project.

A/A	Meeting Type	Date	Documents
1.	1 <sup>st</sup> SteerCo	04/02/2022	Agenda, PPT, MoMs, Progress Report
2.	2 <sup>nd</sup> SteerCo	20/04/2022	Agenda, PPT, MoMs, Progress Report
3.	3 <sup>rd</sup> SteerCo	01/11/2022	Agenda, PPT, MoMs, Progress Report
4.	4 <sup>th</sup> SteerCo	16/11/2023	Agenda, PPT, MoMs, Progress Report

## 2.6 Activities, Deliverables, Results

Deliverable	Deliverable Title	Actual Deliverable Date
Deliverable 1	Inception Report	30/09/2021
Deliverable 2	Sub-Del 2.1 - Analysis of the existing (as-is) situation and identification of gaps and areas of improvement	28/02/2022
	Sub-Del 2.2 - Recommendations for modernising, simplifying and revising the legal framework and procedures of the Public Investment Programme (PIP)	31/05/2022
Deliverable 3	Sub-Del 3.1 / 3.2 - Proposals for draft primary/secondary legislation – Interim versions	28/02/2023
	1 <sup>st</sup> Interim Version Sub-Deliverable 3.1/3.2	28/07/2022
	2 <sup>nd</sup> Interim Version Sub-Deliverable 3.1/3.2	30/09/2022
	3 <sup>rd</sup> Interim Version Sub-Deliverable 3.1/3.2	30/11/2022
	4 <sup>th</sup> Interim Version Sub-Deliverable 3.1/3.2	31/01/2023

	Sub-Del 3.1 - Proposals for draft primary legislation	29/09/2023
	Sub-Del 3.2 - Proposals for draft secondary legislation	31/10/2023
	Sub-Del 3.3 - Overview on the legislation's adoption and Implementation	05/01/2024
<b>Deliverable 4</b>	Project Final Report	05/01/2024

The sections below present a brief **description** of the Deliverables:

### 2.6.1 Deliverable 1

Following the kick-off Meeting, with regards to the delivery of the Deliverable 1, "Inception Report", various actions were taken and several meetings were held **to ensure a common understanding of the Project's purpose, planning, methodology, scheduling, management, quality assurance, key-parties that would be involved, and next steps.** This was done in agreement with the Beneficiary and the Contracting Authority.

Priority was given to the perception and presentation of the scope of the Project, the methodology to be followed in each activity, as discussed with counterparts and agreed with DG REFORM, the allocation of specific tasks, roles and responsibilities, the organisation of the required workflow, resources and timetable of the Project, the breakdown of stakeholders, whose participation was expected in individual activities, the description of potential challenges and risks and the corrective approaches, as well as the enrichment of the catalogue of documentation and related material from all meetings held, counterparties and stakeholders consulted during the Initiation phase.

To this end, the second section of the Inception Report presented the context of the Project, its main objectives and expected results, as well as identified key stakeholders.

The third section of the Inception Report outlined the project roles and associated responsibilities of the distinct working groups (e.g., Project Governance), reporting and escalation levels, communication, and cooperation between the involved parties.

The fourth section analyzed the project approach and methodology regarding the governance structure and the planning of the Project, as well as the goals and specific tasks and activities for each phase.

The project management processes and the prerequisites of quality assurance during its execution, were detailed in the following (fifth) section of the Report, while the progress assessment approach was presented in the sixth section.

Finally, an updated detailed description of all deliverables, along with an updated work schedule and timetable with tasks, key milestones, and resources throughout the duration of the Project were defined in the two following sections, while the final section comprised a list of relevant data, documents and other information revised during the Inception phase and required for the Project.



## 2.6.2 Deliverable 2

Deliverable 2 focused on the **analysis of the existing (as-is) situation, as well as on the appropriate recommendations for modernising, simplifying, and revising the legal framework and procedures of the Public Investment Programme (PIP)**. More specifically, this Deliverable identified and analyzed the key bottlenecks and systemic issues that hamper the Public Investment Budget execution and efficiency in relation to the existing legislative framework and procedures of the Public Investment Programme, as well as requirements that arise from the country's commitments and **good international practices in public investment management (Sub-Deliverable 2.1)**. Based on this analysis, **gaps and areas for improvement were identified and recommendations were provided for modernising, simplifying, and revising the legal framework and procedures of the PIP (Sub-Deliverable 2.2)**.

### 2.6.2.1 Sub-Deliverable 2.1

More specifically, Sub-Deliverable 2.1 provided an analysis of the current (as-is) situation, **including the current regulatory framework, mapping of processes and parties involved, description of the relevant governance and management model and good international practices from other European member-states or third countries/international organisations**.

The collection of the relevant information for 'Tasks 1,2,3', which was included in the report of Sub-deliverable 2.1, was structured as follows:

- ▶ The **update of PIP's institutional framework** was documented, emphasizing the main features of PIP, the organisational structure of the competent bodies, PIP's funding sources and the stages of the existing procedures.
- ▶ Current challenges, **gaps or inaccuracies** pertinent to the existing legislation were documented, while areas of potential improvement in the form of amendments, additions, or corrections were identified.
- ▶ The **good international practices** were featured as derived from recommendations of international organisations and relevant reports.

Consequently, the report of Sub-Deliverable 2.1 adopted a **"purpose-based" approach** in evaluating PIP; namely, along with an initial base of analysis, it proceeded to an in-depth reporting of problems and issues that need attention or improvement. Having analysed PIP's primary features, current challenges, and cumbersome processes, and following the examination of good international practices, the report raised several issues for consideration during the next phases of the Project:

- ▶ The lack of a comprehensive normative definition of "public investment" together with the absence of cumulative criteria that affect PIP's project selection processes.
- ▶ Certain undefined notions, such as subsidy, indirect payment, or legal commitment.
- ▶ The restructuring of the PIP's architecture either by redefining the content and limits between primary and secondary legislation or by more comprehensively defining the digital applications and systems, which are already in use by the Beneficiary or other involved institutions in the implementation of PIP.
- ▶ The clarification of processes related to indirect payments and subsidies
- ▶ The integration of electronic and paper-based administrative systems and the simplification and/or the reduction of the required documentation.
- ▶ The coordination between authorities.
- ▶ The homogenisation of the administrative management of classified projects.

- ▶ The transition to the National Development Program (NDP).
- ▶ The decrease in the Bank of Greece's accounts.
- ▶ The increase in the cash balance limit.

These issues were identified by the Beneficiary (PID) and other institutions involved and emerged through reforming the relevant legislation within different "cycles" of PIP processes, i.e., planning, integrating, financing, and paying. Thus, resolving them was crucial for optimizing PIP's overall effectiveness.

### 2.6.2.2 Sub-Deliverable 2.2

Following Sub-Deliverable 2.1 "Analysis of the existing (as-is) situation and identification of gaps and areas of improvement", Sub-Deliverable 2.2 provided specific recommendations for modernising, simplifying, and revising the legal framework and procedures of the Public Investment Programme (PIP). These recommendations were presented through a **"scenario of law reform or a holistic approach"**, taking into account recent legislative changes related to the National Development Program, the Recovery and Resilience Fund and good international practices. **The proposed legislative amendments included new processes, monitoring, and review measures, and aimed to enhance transparency and effectiveness of PIP procedures, assess their necessity and suitability and contribute to administrative rationalisation and the acceleration of PIP processes.**

In more detail, the working scenario was analyzed in three distinctive chapters:

The **first chapter**, titled "the General Principles of the scenario/legislative proposal", defined PIP's legislation, documented the specific provisions in need of integration/codification, repeal, or amendment, and distinguished between primary and secondary legislation based on the new institutional framework per PIP's stage and processes. The objectives of the legislative proposal were also laid down. Consequently, analyzing the results from Tasks 1 and 2 became more receptive to the Greek administration and law practitioners that are interested or affected by the PIP legislative provisions.

Following the same reasoning, the **second chapter**, titled "Individual Reforms of the scenario/legislative proposal", presented the results from Tasks 2,4, and 5 and focused the research on individual provisions in accordance with the areas of improvement identified in Sub-Deliverable 2.1. In the report of Sub-Deliverable 2.2 these provisions were structured per PIP's stage, and processes and were prioritized based on their prominence.

Correspondingly, the **third chapter**, titled "Assessment of the scenario/legislative proposal", functioned as a report on the overall consequences and assessed the necessity and suitability of the legislative proposal/scenario.

Sub-Deliverable 2.2 endorsed the restructuring of PIP's institutional framework under a single law, as follows:

- ▶ Part A: General Principles (Subject matter and purpose of the legislation, Structure of PIP, General Principles for running the Programme, Definition of public investment)
- ▶ Part B: PIP's Budgeting (Requirement for multiannual planning, Yearly Budgeting, Registration to the public investment budget, Authorisation for publishing yearly decisions, Jurisdiction)

- ▶ Part C: PIP's Project selection processes (Project selection criteria, Project selection processes, Project selection from specific programs, Transferred Projects, Continued Projects, Jurisdiction)
- ▶ Part D: Funding (Funding request, Defining the manager and supervisor of the account, Assessment of the funding request, Agreement, Monitoring the implementation, Certification of expenditure, Funding decision CD, Mandate for funding allocation and execution, Jurisdiction)
- ▶ Part E: Implementation of the public investment budget (Instruments and evidence for collection, Collection-payments, Process of budget implementation, Data submission from tax authorities, Monetary balance of tax authorities and special funds, Accounting System of tax authorities, Jurisdiction, Special treasurers, Tax authorities on the recovery of funds, Financial control services – Special accounting offices)
- ▶ Part F: PIP's expenditure payments (Payment requirements, Payment Process, Granting advance payments, Authorisation payments, Supporting documents for PIP's project payments, Canceling project accounts at the Bank of Greece, Indirect payments, Other PIP payments from central administration, Deadlines, Jurisdiction, Specification of the project's manager and supervisor of the account/responsibility sharing)
- ▶ Part G: Project Monitoring and PIP's review (Yearly Monitoring of PIP, PIP review, Review Clause)
- ▶ Part H: PIP's revenue (PIP's types of revenue, Revenue monitoring mechanism)

Various factors, such as the nature, the users or the scope of the provisions were considered for distinguishing between primary and secondary legislation. This approach led to the following conclusions:

- ▶ **The standard operating rules of the Programme should be enshrined in primary legislation.**
- ▶ **Secondary legislation should be linked to technical issues expected to change within time.**

### 2.6.3 Deliverable 3

Deliverable 3 provided proposals for legislative modifications, including the main/primary law for PIP, its explanatory statement, and secondary legislation, taking into account the selected legislative approach of the Sub-Deliverable 2.2. **The draft provisions considered Greece's legal and institutional public financial management framework and were developed in close cooperation with the Greek authorities, to ensure feasibility, applicability, and adoption by the beneficiary authority.**

#### 2.6.3.1 Sub-Deliverable 3.1

Sub-Deliverable 3.1 involved the design, preparation and drafting of the new PIP law and its accompanying regulatory impact assessment report. **The methodology followed was compatible with the Legislative Methodology Manual, issued by the General Secretariat of Legal and Parliamentary Affairs of the Presidency of the Government based on Law 4622/2019, which adopts the modern principles and the rules of good legislation processes.**

EY experts, with the assistance of the PID officials, prepared a detailed draft law. In order to draw up an adequate draft law, which would meet the needs of the users involved and would

contribute to the achievement of the objectives mentioned above, **the methodological approach of jointly designing the rules with the PID was fully endorsed and followed.**

To this end, before the start of the implementation of Task 1 [Drafting the primary legislation of the PIP (comprehensive proposed draft law)], and through the cooperation of representatives of the Beneficiary and the Provider, a cooperation framework was established and technical meetings were planned, with a pre-determined agenda of topics and issues.

The **first issue to be addressed was defining the structure of the draft law, its sections, and contents.** This was crucial for organizing the legislative material and ensuring the accessibility of the provisions for users, given the complexity of the PIP. The structure was based on the principles of the Legislative Methodology Manual, while also taking into account the regulatory functionality requirements of the main user, the PID.

The structure of the draft law was aligned with the basic life cycle of the PIP and was distributed into the following chapters:

- ▶ Chapter I (General provisions)
- ▶ Chapter II (Medium-term planning of expenditure - Preparation of the annual budget for public investments)
- ▶ Chapter III (Implementation of the budget for an annual programme of public investments - Inclusion of PIP funded projects)
- ▶ Chapter IV (Payments of PIP projects)
- ▶ Chapter V (Completion and clearance of PIP projects)
- ▶ Chapter VI (Supervision, audit, and evaluation of PIP projects)
- ▶ Chapter VII (Revenue)
- ▶ Chapter VIII (Entities involved in PIP procedures and their responsibilities)
- ▶ Chapter IX (Information systems)
- ▶ Chapter X (Authorizing, transitional and final provisions)

Next, the Provider's Project Core Team (PPCT) formulated specific provisions in the draft law, focusing on monitoring requirements to ensure the efficiency of the framework.

The outputs included the Regulatory Impact Analysis with the explanatory statement pursuant to Law 4622/2019, which requires an impact analysis report for each draft law.

**Concluding, this Sub-Deliverable proposed a unified PIP law, as well as an explanatory statement elaborated on the legislation's purpose, considering factors affecting its implementation and efficiency.**

**The adoption of a single unified law for the PIP was identified as crucial for consolidating the existing fragmented regulatory framework and establishing a functional and efficient PIP framework with longer-term impact, which would optimize resources for public investment from EU and national sources and would enhance the public investment's multiplier effect on the economy.**

The Provider worked closely with the Beneficiary and submitted interim versions of this Sub-Deliverable every two (2) months, as follows:

<b>Sub-Deliverable 3.1:</b> Proposals for draft primary legislation – Interim versions	28/02/2023
<b>1<sup>st</sup> Interim Version Sub-Deliverable 3.1</b>	28/07/2022
<b>2<sup>nd</sup> Interim Version Sub-Deliverable 3.1</b>	30/09/2022
<b>3<sup>rd</sup> Interim Version Sub-Deliverable 3.1</b>	30/11/2022
<b>4<sup>th</sup> Interim Version Sub-Deliverable 3.1</b>	31/01/2023

### 2.6.3.2 Sub- Deliverable 3.2

Sub-Deliverable 3.2 detailed the main secondary legislation of the PIP, serving as the regulatory complement to facilitate effective implementation of the new PIP legislation (Sub-Deliverable 3.1). **The rules of the proposed ministerial decisions specified and clarified provisions of the new draft law and displayed a more specific, technical, or detailed character in relation to them.** As required by the jurisprudence, the text of the new draft law contained not only the scope of the authorisation for the issuance of the respective ministerial decisions, but also its essential regulation.

This Sub-Deliverable included drafts of three (3) ministerial decisions, the delegating provisions of which were included in the new draft law and in particular in article 38 thereof. More specifically, these draft decisions of the Minister of National Economy and Finance include provisions that regulate:

- ▶ the classification categories and process of the PIP projects,
- ▶ payments procedures of the PIP costs and in particular the time of application, the method of settlement of the costs, the type of payment orders and the supporting documents of the payments,
- ▶ the criteria, the limits, and conditions for the redistribution of PIP credits, the details for the management of PIP credits, as well as the procedures for financing collective decisions (SA), the payment process for public investment projects at the end of the financial year, issues of PIP accounts kept in the Bank of Greece (BoG) and others related to the above matters.

To define the content of the proposed provisions of secondary legislation, the PCT followed steps such as:

- ▶ Identification of the delegating provisions in the new legislation on PIP. The EY team compiled the list of authorisations and gathered all existing secondary legislation arrangements.
- ▶ Examination of the necessity of the delegation in particular in relation to the applicable provisions. At this stage, the necessary authorizing provisions per stage of the PIP cycle were determined.
- ▶ Suggestions for the appropriate types of delegation.
- ▶ Consultation with the Beneficiary regarding the content of the provisions (finding the most appropriate procedure, identifying requirements, etc.).
- ▶ Drafting the content of the secondary regulation.

The Provider worked closely with the Beneficiary and provided interim versions of this Sub-Deliverable every two (2) months, as follows:

Sub-Deliverable 3.2: Proposals for draft secondary legislation – Interim versions	28/02/2023
1 <sup>st</sup> Interim Version Sub-Deliverable 3.2	28/07/2022
2 <sup>nd</sup> Interim Version Sub-Deliverable 3.2	30/09/2022
3 <sup>rd</sup> Interim Version Sub-Deliverable 3.2	30/11/2022
4 <sup>th</sup> Interim Version Sub-Deliverable 3.2	31/01/2023

### 2.6.3.3 Sub- Deliverable 3.3

Sub-Deliverable 3.3. described the overall legal assistance and support by the Provider to the Beneficiary throughout the Project’s implementation, focusing on the redesign of the legal framework governing the PIP procedures. It particularly emphasized the transition phase from formulating the content of the new PIP legislation to its adoption and finally its implementation. More specifically, this Sub-Deliverable presented the actions taken by the Provider in order to facilitate the adoption of the new legislation, adhering to the principles and rules governing the legislative process outlined in Law 4622/2019. **The methodological approach of jointly designing with the beneficiary authority was followed throughout the elaboration of the draft law and the transition phase from its completion to its adoption and implementation.**

The main activities included the preparation of supporting documents, presentations, and guidelines. An action plan was devised to promote and facilitate the integration of the new legal framework, with critical emphasis **on presenting the new draft law to governmental bodies responsible for initiating the legislative procedure.** Moreover, **specific guidelines were given to the Beneficiary to ensure, to the extent possible, a smooth legislative process, especially during the stage of processing of the new draft law by the General Secretariat for Legal and Parliamentary Affairs of the Presidency of the Government.**

In conclusion, Sub-Deliverable 3.3 included all the actions initiated by the Provider to support the Beneficiary in addressing legal aspects related to the integration of the new legislation (Sub-Deliverables 3.1 and 3.2) and the desired reform into the existing institutional and regulatory framework.

## 3. Lessons Learned

This section summarizes the lessons learned from the implementation of the Project as well as pitfalls and suggestions to issues identified.

### 3.1 Methodology & Governance

- ▶ The **Methodology** used was PM<sup>2</sup> of the European Commission<sup>1</sup> which is a lean and easy-to-use methodology that captures the experience EU Institutions have gained from managing thousands of projects, change initiatives, programmes, tenders, and grants. It was custom developed to fit the specific needs, culture and constraints of EU Institutions and Public Administrations, but also incorporates elements from a wide range of globally accepted project management and agile best practices, standards,

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<sup>1</sup> <https://europa.eu/PM2>

and methodologies. **PM<sup>2</sup> was selected** based on multiple advantages, such as ease of use, tailor ability and scalability, low total cost of ownership, and adaptability to various environments and needs, while also satisfying strategic criteria such as reusability, sponsorship by EU and the Greek Public Sector, prior investments made, open-source licensing, and other.

- ▶ **The Governance Roles** of Business Manager (BM), Engagement Partner (EP) and Project Manager (PM) played an important role in the overall project coordination and the resolution of risks and issues.
- ▶ PM<sup>2</sup> methodology **training** was conducted to the whole Provider's team prior to the implementation of the Project. This had a positive effect to the Project and helped with executing adequately the project management activities.

## 3.2 Project Design and Implementation

- ▶ It was important for the Beneficiary team members to participate as much as possible in the definition of the **technical support request**, the preparation of the RfS and the definition of the Project or at the least to be internally and thoroughly debriefed before the beginning of the Project so that their expectations are aligned with the goals of the RfS, and that productivity and collaboration are high from early in the Project.
- ▶ **Flexible Meeting formats:** Due to the COVID-19 pandemic, the Steering Committee meetings and several technical meetings were conducted via videoconferencing. Thus, pandemic conditions during the early stages deprived the Project of the possibility to benefit from more physical meetings. However, in the later stages of the Project, following the end of restrictions related to the pandemic Covid-19, weekly physical meetings were held in the premises of the PID which facilitated effective discussions and direct communication.
- ▶ Clearly defined **Meeting Agendas**, presentations, and **Minutes of Meeting** with clear **Decision Log** with a review and acceptance process were critical for **communication and alignment** of all the engaged parties.
- ▶ It was observed that the Beneficiary and Provider's teams needed to **work closely** from the very beginning of the Project, in order to identify the needs of the Beneficiary and further clarify the scope of the Project.
- ▶ **The engagement of the PID officials was essential to provide insights into the current situation and address challenges with evidence-based solutions. Thus, their active involvement was approved extremely important for the effective implementation of the key Sub-Deliverable 3.1**, consisting of complex tasks and technical issues. To illustrate, the most significant difficulties were identified in mapping, interpreting, and composing the complex legal framework of the existing PIP processes, in which many stakeholders are involved. To solve these issues, weekly meetings with the PID were divided according to each section of the draft law, on a progressive elaboration basis after the closing of each section. Meanwhile, onsite legal support was provided to the Beneficiary on a weekly basis, in order to ensure the effective management & address of any arising legal issues during the execution of the PIP.
- ▶ **The recommendations from the IMF's Public Investment Management Assessment (PIMA), that took place during the execution of the Project, added value to the Project's outputs.** These recommendations, which focused on the consolidation, simplification, and modernisation of the PIP processes, as well as on the enhancement



of their transparency and efficiency, were considered thoroughly during the drafting of the new PIP legislation (primary & secondary), in order to achieve better targeted results.

- ▶ The outputs of the previous Technical Assistance project<sup>2</sup> on “drawing up a study that records the PIP legal framework and describes the workflow of basic PIP procedures” were taken into consideration, in order to further expand and build upon its results with a view to consolidate and simplify the PIP framework, ensuring synergies with previous related work.
- ▶ Finally, an important issue that affected the overall progress of the Project was the transfer of **PID from the Ministry of Development to the Ministry of Economy and Finance** after **national parliamentary elections in June 2023**. In this context, it was necessary to engage the new Minister, who assumed responsibility for the initiation of the legislative procedure, with the scope and objectives of the Project. **As a result, an unavoidable delay was caused to the implementation of certain tasks of the Project.** However, the Provider in close collaboration with the Beneficiary managed to address the issue **through briefing material for the new leadership.**
- ▶ The active engagement of the senior management of the beneficiary authority could have facilitated the acceleration of the initiation of the new proposed legislation’s adoption and implementation process, enabling active collaboration with the Provider during the implementation phase and ensuring the smooth integration of the new PIP legislation into the Greek legislative framework.

## 4. Suggested next steps for the exploitation of the project results

The adoption of the proposed structural reform rests primarily upon the beneficiary authority, who is responsible for the overall PIP management, implementation, and execution. However, the functional implementation of the new PIP management and operational model requires the active engagement of all the involved parties & broader stakeholders and the embracement of the principles and values on which it is based. **Thus, the overall success of the project and the accomplishment of the desired outcomes and broader socio-economic benefits rest on the utilisation and exploitation of the project outputs in a holistic, transformation-based, and collective approach.**

Some of the most important steps that should be followed in this context, are listed below:

- ▶ **Enactment of the proposed draft PIP primary legislation** through the initiation of the legislative procedure, which will result to the embedment of the new draft law into the existing legislative framework.
- ▶ **Taking into consideration the proposed guidelines regarding the smooth implementation of the respective legislative process**, to avoid potentials delays & risks and ensure the successful adoption of the proposed law reform.

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<sup>2</sup> The Technical Assistance project on “drawing up a study that records the PIP legal framework and describes the workflow of basic PIP procedures”, was completed in the Public Investment Directorate and was funded by the Public Investment Directorate in the context of the co-funded “Technical Assistance Programme 2014-2020”.



- ▶ **Enactment of the proposed draft PIP secondary legislation**, to enable the actual implementation of the new PIP legal framework, by regulating specific or technical issues.
- ▶ **Establishment of the new independent unit within the General Secretariat of Public Investments of the MoEF** as provided for in the draft law, in order to accommodate the functional operation of the new PIP administrative procedures and the associated re-distribution of relevant roles & responsibilities.
- ▶ **Regular & systematical re-evaluation of the new PIP primary legislation** as provided for in the Article 39 of the new draft law, to identify gaps or areas of improvement of the new legislative framework, and modification of specific provisions (if needed) to ensure the alignment with the new circumstances.
- ▶ **Coordinated & consistent collaboration between competent authorities**, to effectively address potential issues & risks regarding the smooth implementation of the new legislation.



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