Assessment of Anti-Corruption Reforms in Public Procurement, Health, and Tax & Customs
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**About the Greece-OECD Project**
The Greek government is prioritising the fight against corruption and bribery and, with the assistance of the European institutions, is committed to taking immediate action. Under the responsibility of the General Secretariat Against Corruption, Greece’s National Anti-Corruption Action Plan (NACAP) identifies key areas of reform and provides for a detailed action plan towards strengthening integrity and fighting corruption and bribery. The OECD, together with Greece and the European Commission, has developed support activities for implementing the NACAP. This project is scheduled for completion in 2018 and is co-funded by the European Commission and Greece. For further information, please see [the project webpage](#).
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Overview

In an effort to improve governance and tackle corruption, many countries have undertaken institutional and legislative reforms such as adopting anti-corruption laws, instruments, national strategies and/or setting up anti-corruption institutions. While these national efforts provide an enabling framework, they may not be sufficient to achieve desired changes. Today there is growing awareness among anti-corruption practitioners that putting better governance into practice requires adapting general anti-corruption efforts to address sector-specific challenges.

However this is a complex exercise and there is no one-size-fits-all solution when it comes to the design and implementation of sectoral anti-corruption strategies. Experience has shown that the effectiveness of a sectoral strategy will depend to a great extent on whether it has been designed taking into consideration the sector’s context and its specific corruption challenges. Furthermore, political will and coordination with other on-going efforts to fight corruption and improve governance in the country is necessary. In addition, sectoral anti-corruption strategies need to secure a robust monitoring and evaluation system if they want to generate real impact.

Certain sectors are more susceptible to corruption risks than others, due to the increased interactions between the public and private, ambiguities in the regulation and/or high financial stakes. As such, Greece’s National Anti-Corruption Plan (NACAP) has identified six high-risk policy areas that are susceptible to corruption: tax and customs, health, public procurement, the defence sector, local government entities (LGEs) and private and public investments. Greece has requested technical assistance to develop standards and principles that will help these high-risk areas effectively prevent corruption.

The Organisation for Economic Co-operation and Development (OECD) is currently working to support Greece in evaluating the progress made on existing anti-corruption sectoral strategies and action plans in tax and customs, public procurement and health sectors. It is also assisting Greece in developing anti-corruption strategies for defence procurement, local administration and the public and private investment sectors, taking into account the unique challenges faced by these high risk policy areas.

The purpose of this report is to evaluate the progress made on existing Greek anti-corruption strategies, action plans and corresponding reforms in the following three high risk sector areas: tax and customs, public procurement and health. The assessment will also provide recommendations for improving the design of anti-corruption sector policy framework as well as its effective implementation.

This assessment covers the period from October 2016 to May 2017 for the sectors of tax and customs and public procurement, and March 2017 to August 2017 for the health sector. It applies a mixed methods approach with triangulation to arrive at reliable and unbiased findings, using both primary and secondary sources of information. Primary sources included interviews with key stakeholders (face to-face or by telephone, in some cases supplemented by written responses), the
use of survey questionnaires, field missions, focus group interviews, observation and other participatory techniques. Secondary data sources that were used include project documents and archival data made available by stakeholders.

To carry out the assessment, the first stage consisted of an analysis of existing background materials on integrity in the health, tax and customs and public procurement sectors to inform evaluation on progress made in anti-corruption. These materials included existing anti-corruption strategies, progress reports, policy documents and other materials produced by the Greek Administration. They were examined prior to field missions during the period under study. Other supplementary documents were requested based on information collected from stakeholder interviews and analysed on an ongoing basis.

The second stage involved six field missions, two for each high risk sector evaluated. In consultation with the General Secretariat Against Corruption (GSAC), government officials and representatives of nongovernmental organizations as well as other stakeholders were interviewed individually or in small focus groups. The interviews were semi-structured, giving the interviewer predetermined questions, as well as the opportunity to explore particular themes or responses further. The process also involved collection and analysis of additional data, if any, available from stakeholders.

The assessment has faced the following constraints:

• The National Strategy for Public Procurement of the Single Public Procurement Authority for 2016-2020, which includes specific anti-corruption activities, was not approved at the time of undertaking this assessment.
• Lack of a comprehensive sectoral Anti-corruption Strategy for health.
• The 2013 Strategic Plan for Fighting Corruption in tax and customs is currently under revision. The OECD team did not have the opportunity to review the new document.
• Despite the proliferation of anti-corruption interventions in the three high risk sectors over the last years, there is still limited evidence on their impact to curb corruption. This is partly due to the fact that most anti-corruption initiatives have weak results evaluation frameworks, including poor definitions of outputs (completion of an action under the anti-corruption intervention), outcomes (direct change because of the output) and indicators which hinder their evaluability. Weak results reporting impede a thorough assessment of the real progress and impact.
• Unavailability for interviews or lack of relevant information/knowledge on behalf of some stakeholders interviewed.

Taking these factors into account, the following three sections of this report present the findings of the assessment in the three high risk sectors under consideration.
1. Assessment of ongoing reforms in the public procurement sector

Introduction

It is estimated that, in 2015 alone, Greece spent about 11.1% of its GDP and 20.5% of total government expenditures on public procurement\(^1\). According to the Flash Eurobarometer Report on “Business attitudes towards corruption in the EU”\(^2\), on average, companies in Greece derive a considerably larger proportion of their turnover from public tender and procurement procedures compared to those in other countries. In fact, 23% of companies in Greece say 100% of their turnover comes from public tenders or procurement procedures, while a further 28% say 61%-99% of turnover comes from these sources. The results for Greece are interesting considering that companies there are amongst the most likely to say that corruption is widespread in public procurement managed by national authorities (75%) or regional or local authorities (72%). The Report also states that the practice of tailor-made specifications favouring particular companies is widespread.

These reasons coupled with the close interaction between the public and private sectors, the complexity of procurement procedures, ambiguities in regulation and/or high financial stakes are the main reasons why public procurement has been identified as “high-risk” policy area in the National Anti-Corruption Action Plan (NACAP).

This assessment evaluates whether current anti-corruption measures related to public procurement are adequately addressing the unique challenges faced by the public procurement sector. The assessment is undertaken against the OECD 2015 Recommendation of the Council on Public Procurement (hereinafter the Recommendation), composed of 12 integrated principles (including ones on transparency, integrity, risk management and accountability, please refer to Annex 1). The Recommendation addresses the whole procurement cycle, providing comprehensive guidance to address all relevant challenges related to develop sound public procurement frameworks. It also addresses corruption and integrity risks, outlining essential measures to be implemented in order to enhance integrity in the public procurement system and to fight corruption related to procurement processes (please refer to the annex 2).

Main findings

In Greece, several actors\(^3\) are in charge of developing and implementing public procurement anti-corruption provisions and measures:

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\(^1\) OECD Government at a Glance, 2017
\(^2\) Flash Eurobarometer 428, Business attitudes towards corruption in the EU, 2015
\(^3\) Sources: European Commission, Public procurement – Study on administrative capacity in the EU Greece Country Profile, European Union; National Strategy for Public Procurement 2016-2020; and OECD.
The Single Public Procurement Authority (SPPA), established in 2011 (by Law 4013/2011), is in charge of regulating public procurement of works, supplies and services; providing policy advice to the legislature; providing guidance to awarding authorities on the application of procurement law and regulation; and authorising the use of special procedures, such as negotiated procedure without publication notice. The SPPA also plays a supervisory role by monitoring and evaluating awarding authorities’ decisions for effectiveness and conducting random checks of on-going procedures for compliance with the law.

The General Secretariat of Commerce (GSC) of the Ministry of Economy and Development (its Directorate General for Public Procurement, DGPP) is the owner and coordinator of the National Electronic Public Procurement System (ESIDIS), created in 2013 (by Law 4155/2013) and the Central Electronic Registry of Public Contracts (KIMDIS), created in 2011 (by Law 4013/2011). The General Directorate of Public Procurement of the GSC has the role of a Central Purchasing Body (CPB) for goods and services.

The General Secretariat of Public Works (GSPW) of the Ministry of Infrastructure and Transport is the CPB for public works. The Ministry’s responsibilities include the publishing and evaluation of calls for tender and submitted offers, the awarding of procurement contracts and the supervision of the construction activity in the country. GSPW can propose changes to the legislation and secondary legislation (i.e. ministerial decisions and presidential decrees) concerning public works contracting and provides awarding authorities with technical specifications and guidelines to ensure proper implementation of the regulatory framework.

The Committee for Health Procurement (EPY) was the CPB of the Ministry of Health and was responsible for medical, health, pharmaceutical goods and services. It is in the process of being replaced by National Central Authority for Health Procurement (NCAHP) introduced by the new law on health procurement (to be adopted after May 2017, thus going beyond the scope of this assessment).

The Body of Inspectors for Public Works (SEDE) is in charge of inspecting works carried out by public entities under the laws of public works throughout the territory.

The Body of Inspectors for Health and Welfare Services (SEYYP) is responsible for conducting investigation and performance audits on public and private health and welfare services in order to improve quality, productivity and effectiveness.

The Body of Inspectors-Controllers for Public Administration (SEEDD) has an interministerial mandate to conduct investigations and inspections. These inspection-investigation bodies are under the General Secretariat against Corruption (GSAC), established in March 2015 (by Law 4320/2015).

Anti-corruption provisions and measures for the area of public procurement are included in the public procurement regulatory framework (including the Public Procurement Law 4412/2016) as well as in the public procurement and anti-corruption strategies (including the National Strategy for Public Procurement 2016-2020 and the National Anti-Corruption Action Plan, NACAP). The Greece
National Reform Programme, published in April 2016, also includes specific actions to enhance efficiency, integrity, transparency and good management in public procurement.

Below there is a brief explanation of the main instruments related to anti-corruption and integrity in public procurement:

- **The Public Procurement Law 4412/2016.** In August 2016 the Greek Parliament enacted Law 4412/2016 entitled “Public Procurement of Works, Supplies and Services” as well as Law 4413/2016 entitled "Award and Execution of Concession Contracts". Law 4412/2016 includes the provisions of the Directive 2014/24/EU on public procurement, in particular those related to the fight against corruption. It indeed includes provisions that aim at ensuring integrity in the public procurement system and at fighting corruption related to procurement processes. In table 1 below are listed the provisions that contribute to prevent, detect and redress corruption in public procurement, organized according to the relevant principles of the OECD Recommendation.

**Table 1: Overview of proposed actions included in Law 4412/2016**

<table>
<thead>
<tr>
<th>OECD Principle</th>
<th>Proposed Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transparency</td>
<td>Principles applicable to the public contracts procedures (art. 18/253)</td>
</tr>
<tr>
<td></td>
<td>Publication and transparency (art. 61-70)</td>
</tr>
<tr>
<td></td>
<td>Prior information notices (art.62), contract notices (art. 63), contract award notices (art. 64), form and manner of publication (art.65), publication at national level (art. 66), electronic availability of procurement documents (art. 67), consultation of the published documents in cases of public works contracts (art. 68), informing candidates and tenderers (art.70), notification of successful tenderer (art.143)</td>
</tr>
<tr>
<td></td>
<td>Publication and transparency (art. 290-299)</td>
</tr>
<tr>
<td></td>
<td>Subcontracting (art.58/131/287/336)</td>
</tr>
<tr>
<td>Integrity</td>
<td>Conflicts of interest (art.24/262)</td>
</tr>
<tr>
<td></td>
<td>European Single Procurement Document (art.79)</td>
</tr>
<tr>
<td>Access</td>
<td>Principles applicable to the public contracts procedures (art. 18/253)</td>
</tr>
<tr>
<td></td>
<td>Choices of procedures (art.26/116), Open procedure (art.27)</td>
</tr>
<tr>
<td></td>
<td>Communication of technical specifications (art.285)</td>
</tr>
<tr>
<td>Efficiency</td>
<td>Principles applicable to the public contracts procedures (art. 18/253)</td>
</tr>
<tr>
<td></td>
<td>Centralised purchasing activities and central purchasing bodies (art.40/274)</td>
</tr>
<tr>
<td></td>
<td>Selection criteria (art.75/76/77)</td>
</tr>
<tr>
<td></td>
<td>Opening and evaluation of tenders and applications (art.98/99/100)</td>
</tr>
<tr>
<td></td>
<td>Rules of evidence for qualitative selection - evaluation of the capacity of economic operators according to selection criteria (art.79/80/81)</td>
</tr>
<tr>
<td></td>
<td>Official lists of approved economic operators and certification by bodies established under public or private law (art.83)</td>
</tr>
<tr>
<td>E-procurement</td>
<td>National electronic system for public procurement - obligation to use ESIDIS (art. 36, para.3/ art.37)</td>
</tr>
<tr>
<td></td>
<td>Central electronic register, KIMDIS (art.38/260)</td>
</tr>
<tr>
<td></td>
<td>Online repository of certificates, e-Certis (art.81)</td>
</tr>
<tr>
<td>Capacity</td>
<td>Training and certification of personnel (art.344)</td>
</tr>
<tr>
<td>Evaluation</td>
<td>Central electronic register, KIMDIS (art.38/260)</td>
</tr>
<tr>
<td>Risk management</td>
<td>No provisions related to risk management in the Law 4412/2016</td>
</tr>
<tr>
<td>Accountability</td>
<td>Principles applicable to the public contracts procedures (art. 18/253)</td>
</tr>
<tr>
<td>OECD Principle</td>
<td>Proposed Actions</td>
</tr>
<tr>
<td>----------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Grounds for exclusion and exclusion of an economic operator from public procurement (art. 73/74) and use of exclusion grounds and criteria selection procedures and exclusion of an economic operator (art.305/306)</td>
<td></td>
</tr>
<tr>
<td>Administrative resolution of contractual appeals (art.174)</td>
<td></td>
</tr>
<tr>
<td>Inspection of works (art.179)</td>
<td></td>
</tr>
<tr>
<td>Penalties (art.218)</td>
<td></td>
</tr>
<tr>
<td>External quality control (art. 212)</td>
<td></td>
</tr>
<tr>
<td>Enforcement (art.340)</td>
<td></td>
</tr>
<tr>
<td>Authority for the Review of preliminary appeals (art. 347)</td>
<td></td>
</tr>
<tr>
<td>Disciplinary control (art.351) and procedure (art.352)</td>
<td></td>
</tr>
<tr>
<td>Alternative sanctions (art.370)</td>
<td></td>
</tr>
</tbody>
</table>

- **The National Strategy for Public Procurement 2016-2020.** In March 2016, a Proposal for the adoption of a National Strategy for Public Procurement 2016-2020 had been developed by the SPPA and was endorsed by the Greek Governmental Council of Financial Policy in January 2017 (Decision n°50A/20.01.01.2017). This strategy includes a strategic part (Part A of the document) and an action plan (Part B). The Part A of the strategy makes reference to the principles of the OECD Recommendation on Public Procurement and summarizes the recommendations developed at European level in the past in order to identify and fight corruption in public procurement in EU Member States. The strategic part describes the public procurement system in Greece and presents the main challenges of the Greek system, including corruption:

  - Lack of strategy and public procurement planning
  - Corruption in public procurement
  - Collection and recording of public procurement data and the use of ICTs
  - Complex institutional framework in the area of public procurement
  - Lack of institutional framework on concessions
  - Lack of standardisation of procedures and documents
  - Lack of standardisation of technical specifications
  - The remedy system
  - Lack of planning and organizational capacity (including coordination) at central and regional levels
  - Lack of professional and trained procurement workforce
  - Lack of supervision, evaluation and audit of public procurement
  - Inefficiencies and irregularities in public procurement in the health sector
  - Functional overlap, inefficient silos and administrative red-tape
  - Lack of coherent and stable legal and regulatory framework
  - Delays in payments
  - Lack of access to procurement opportunities for SMEs
  - Lack of strategic use of public procurement, in particular to foster innovation

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4 Report from the Commission to the Council and the European Parliament, EU Anti-Corruption Report (COM 2014) 38 final/3-2-2014 and Identifying and Reducing Corruption in public procurement in the EU – Development of a methodology to estimate the direct costs of corruption and other elements for an EU-evaluation mechanism in the area of anti-corruption, PWH and ECORYS, June 2013

5 Proposal for the adoption of a National Strategy for Public Procurement 2016-2020, SPPA
The strategy also stresses the importance of strengthening good governance of the overall public procurement system, including integrity, by introducing targeted measures to fight corruption and manage conflict of interest situations. It also highlights the role of the control system in strengthening accountability and preventing corruption. It finally underlines the contribution of e-procurement systems to transparency.

Part B of the strategy includes the proposed actions for the timeframe 2016-2020, in response to the challenges identified in Part A. In order to strengthen good governance of Greek public procurement processes, the strategy introduced several actions (see table 2 below). The table also includes actions beyond ‘good governance’ that also contribute to reduce integrity risks throughout the public procurement cycle. The Action Plan (as well as the table below) is organized according to the principles of the OECD Recommendation.

<table>
<thead>
<tr>
<th>OECD Principle</th>
<th>Proposed Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transparency</td>
<td>Development of a single website on the functioning of the public procurement market in Greece and the applicable legal and regulatory framework at the European and national level</td>
</tr>
<tr>
<td>Integrity</td>
<td>Implementation of the national strategy for preventing and combating corruption and fraud (National Anti-Corruption Plan, NACAP)</td>
</tr>
<tr>
<td></td>
<td>Codification, consolidation and integration of new directives and new provisions that contribute to the fight against corruption (on integrity, conflict of interest, planning and preliminary consultations in market transparency through electronic tools, exclusion of candidates on ground of corruption, fraud)</td>
</tr>
<tr>
<td></td>
<td>Development of integrity standards/codes of conduct for audit institutions (81)</td>
</tr>
<tr>
<td></td>
<td>Implementation of awareness and training initiatives on integrity standards and rules of conduct, in particular for audit/control bodies (84)</td>
</tr>
<tr>
<td>Access</td>
<td>Development of a comprehensive guide on public procurement for public and private actors</td>
</tr>
<tr>
<td></td>
<td>Adoption of model documents for tendering of new techniques (66)</td>
</tr>
<tr>
<td>Efficiency</td>
<td>Preparation of an action plan for the design and implementation of the new central procurement system – determination of competent authorities/bodies of categories to be covered and the administrative procedures necessary for its operation (and adoption of the necessary institutional framework for implementing the new central procurement system) (7 and 8)</td>
</tr>
<tr>
<td></td>
<td>Definition and implementation of Framework Agreements (FAs), by the GSC (9 and 10)</td>
</tr>
<tr>
<td></td>
<td>Increased use of e-catalogues (19)</td>
</tr>
<tr>
<td></td>
<td>Centralisation of inter-disciplinary requirements (20)</td>
</tr>
<tr>
<td>E-procurement</td>
<td>Development of an electronic registry of all contracting authorities/entities (21)</td>
</tr>
<tr>
<td></td>
<td>Development of a registry of approved/certified economic operators (55,56)</td>
</tr>
<tr>
<td></td>
<td>Strengthening of the KIMDIS in order to cover all stages of public procurement, including e-notification and e-access (22)</td>
</tr>
<tr>
<td></td>
<td>Establishment of an e-procurement system (ESIDIS) that covers the whole procurement cycle, including the establishment of an alert system for registered economic operators (business opportunity notice) and the introduction of e-invoicing (24)</td>
</tr>
</tbody>
</table>

6 Only the actions that contribute to fight corruption in public procurement have been selected.
7 The strategy enumerates all the relevant objectives and actions of the NCAP (see details below).
### OECD Principle

**Proposed Actions**

<table>
<thead>
<tr>
<th>OECD Principle</th>
<th>Proposed Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation of interoperable links between KIMDIS and ESIDIS (23)</td>
<td></td>
</tr>
<tr>
<td>Development of a system for the implementation of the European Single Procurement Document (ESPD), within ESIDIS (26)</td>
<td></td>
</tr>
<tr>
<td>Update of the online repository of certificates, e-Certis (27)</td>
<td></td>
</tr>
<tr>
<td>Issuance of an e-procurement guide and development of a training on e-procurement for contracting authorities, authorised economic operators and control bodies (60)</td>
<td></td>
</tr>
<tr>
<td>Certification of contracting authorities, CPBs and public procurement officers, including the development of a registry of certified bodies, contracting authorities and public procurement officers (49, 50, 51, 52, 53 and 54)</td>
<td></td>
</tr>
<tr>
<td>Development of a certified training programme for the new legislative framework and certification of trainers (68)</td>
<td></td>
</tr>
<tr>
<td>Education related to the new legislative framework and e-procurement for control bodies, contracting authorities, CPBs and economic operators (69, 70, 71)</td>
<td></td>
</tr>
<tr>
<td>Professionalization of the procurement workforce through adequate training of service providers, accredited suppliers, contracting authorities, etc. (57, 58)</td>
<td></td>
</tr>
<tr>
<td>Development and improvement of the National Public Procurement Database in order to produce statistics and monitoring indicators and implementation of interoperable links with Public Procurement Information Systems (25, 76)</td>
<td></td>
</tr>
<tr>
<td>Development of risk assessment tools for identifying and tackling threats to the smooth functioning of the public procurement system (79)</td>
<td></td>
</tr>
<tr>
<td>Training and public disclosure of risk management strategies (80)</td>
<td></td>
</tr>
<tr>
<td>Development of a common monitoring and evaluation methodology for competent control bodies (83)</td>
<td></td>
</tr>
<tr>
<td>Develop an electronic platform for the audit powers of SPPA and link it with other information systems (82)</td>
<td></td>
</tr>
<tr>
<td>Assessment of fraud risks in co-funded projects using the Fraud Risk Assessment tool proposed by the Commission (EU Growth) and relevant guide (85)</td>
<td></td>
</tr>
<tr>
<td>Creation of a new institution for administrative/preliminary appeals (3, 4)</td>
<td></td>
</tr>
<tr>
<td>Assessment/evaluation and registration of proposals to improve the efficiency of the Greek system of legal protection and an in-depth evaluation of the effectiveness of the existing judicial remedies system in Greece (5, 6)</td>
<td></td>
</tr>
</tbody>
</table>

The strategy also develops specific recommendations to strengthen the transparency, integrity, efficiency and accountability of public procurement processes in the sector of public works as well as in the health sector (refer to table 3 below).

**Table 3: Specific provision to fight corruption in the public procurement of health and public works**

<table>
<thead>
<tr>
<th>Health</th>
<th>Public works</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preparation of a study for public procurement in the health sector (59)</td>
<td>Mapping of required authorizations per category of public works (87)</td>
</tr>
<tr>
<td>Reform of the Price Observatory for Health (95)</td>
<td>Development of an electronic licensing system of public works, accessible to the parties involved in public procurement (88)</td>
</tr>
<tr>
<td>Establishment of uniform technical requirements and standards per service and product purchased in the health sector (96)</td>
<td>Development of a central electronic monitoring system for works studies and related services (89)</td>
</tr>
<tr>
<td>Creation of a single electronic system for monitoring all purchases in the health sector that would include data on stocks (97)</td>
<td>Development of an electronic Price Observatory and electronic system for specifications (91)</td>
</tr>
<tr>
<td>Development of single identification codes for all</td>
<td>Strengthening of the Body of Inspectors for Public</td>
</tr>
</tbody>
</table>
1. ASSESSMENT OF ONGOING REFORMS IN THE PUBLIC PROCUREMENT SECTOR

In principle, the implementation of the National Strategy for Public Procurement will be monitored and evaluated by two bodies/committees; one political and one technical body: (1) a Political Body consisting of the General Secretaries of the relevant ministries (the Head of this Political Body is the General Secretary of Coordination) and (2) a Technical Body consisting of representatives of the relevant public services and representatives of the cabinets of the relevant General Secretaries. The latter will be in charge of issuing reports on the implementation. Nevertheless, given that only one meeting of the Political Body has taken place as of May 2017, it is still early to evaluate the existing monitoring and evaluation (M&E) plans.

The responsibilities for implementing (and not monitoring) the various measures of the National Strategy for Public Procurement are specified in the action plan (under the ‘competent body’ column). Among the responsible actors are: SPPA, the GSC, the Ministry of Justice, the General Secretariat of Public Works and the Ministry of Health. For some of the activities, several actors are in charge. This requires the development of specific coordination mechanisms. According to the SPPA, some of the actors mentioned above are planning to form specific working groups and to determine detailed timelines for each of those activities, but it seems that those working groups have not yet being formed.

- **The National Anti-Corruption Plan (NACAP).** In terms of public procurement, the NACAP foresees the development of measures to ensure transparency of public expenditures, public contracts and budgetary process. For this purpose, the NACAP’s activities to fight corruption in public procurement were incorporated to the National Public Procurement Strategy of the Single Public Procurement Authority for 2016-2020. The NACAP also considers the particular needs in high risk topics and sectors vulnerable to corruption, including public works and military procurement and contracts, by the establishment of standards and principles; the development of a clear risk assessment strategy (to identify the topics); and the implementation of sector-specific strategies by the relevant ministries based on risk-assessments (refer to table 4 below for more information).

**Table 4: Overview of public procurement anti-corruption measures in the NACAP**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop measures to ensure transparency of public expenditures, public</td>
<td>Increasing the publicity (transparency) of all processes of public contract (Implementation date: 10.06.2014);</td>
</tr>
<tr>
<td>contracts and budgetary process</td>
<td>Making all public procurement rules and procedures fully in line with international requirements and recommendations (Implementation date: 31.03.2016)</td>
</tr>
<tr>
<td></td>
<td>Identifying relevant anti-corruption measures and actions for public contracts (Implementing date: 31.10.2015)</td>
</tr>
<tr>
<td>Consider the particular needs in high risk topics and sectors vulnerable</td>
<td>Identifying vulnerable areas for which risk-assessment strategies and concrete action plans will be developed (Implementation date: 31.12.2015);</td>
</tr>
<tr>
<td>to corruption, including</td>
<td></td>
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</table>
Other objectives of the NACAP relevant for the public procurement area are:

- The development of an enhanced system for monitoring the declaration of assets system, detecting conflicts of interests and incompatibilities for public and elected officials and members of government, including sufficiently deterrent penalties for misreporting;
- The development of a training policy to support long-term anti-corruption strategic planning and capacity development;
- The development of a research to support policy development and implementation in conjunction with key stakeholders on ‘transparency’;
- The improvement of the timelines that justice is obtained, both in terms of duration of proceedings and statute of limitations;
- The improvement of the coordination of investigations in high-risk areas like tax, health and building licensing;
- The establishment of codes of conduct and ethics for all central and local government public officials;
- The introduction of integrity tests for public officials;
- The increasing adherence by professionals and their associations to established standards and codes (including the private sector).

The responsibilities for implementing the various measures of the NACAP are specified in the action plan. In relation to public procurement (as well as other so-called high-risk areas), the responsible institutions are: GSAC and the competent ministries. Implementing such measures jointly requires a very close coordination between GSAC and the relevant stakeholders in the area of public procurement, including SPPA and GSC. In the framework of the preparation of this assessment, it could be however noted that there are no specific coordination mechanisms in place in order to implement the measures included in the NACAP.

- National Strategy for Public Procurement As of today in Greece there is no specific strategy to fight corruption in public procurement. However there are concrete actions and measures included in the National Strategy for Public Procurement, as well as in several documents, including the new Public Procurement Law. The new strategy includes an Action Plan that specifies, for each action, specific targets, timelines, the competent bodies, the corresponding budgets, indicators and risks related to its implementation. Even if the Action Plan aims at differentiating process and results indicators, it does not include results indicators (v.gr. the...
output and results indicators are the same) or information on baselines and sources for verification.

The quality of the content of those different documents, including the relevance of the provisions and measures to fight corruption in public procurement, is being assessed in the table below that is organized according to the most relevant principles of the OECD Recommendation on Public. The new provisions of the new Public Procurement Law (PPL) are also taken into account.

**Table 5: Quality of anti-corruption provisions and measures in the area of public procurement**

<table>
<thead>
<tr>
<th>Principle</th>
<th>Comments on the quality of the content</th>
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<tbody>
<tr>
<td><strong>Transparency</strong></td>
<td>The public disclosure of information around public procurement processes contributes to identifying and decreasing cases of mismanagement, fraud, and corruption. According to the OECD Recommendation, adherents should ensure an adequate degree of transparency of the public procurement system in all stages of the procurement cycle. The Greek PPL and the PPS both include provisions to strengthen the transparency of public procurement processes. The PPL makes the online disclosure of tender documentation mandatory. The PPS foresees the development of a single website on the public procurement information (which should include information on the public procurement system, the specific procurements and the performance of the public procurement system. It also requires appropriate transparency in subcontracting relationships. The NACAP also includes the need to increase the publicity of all processes related to public procurement.</td>
</tr>
<tr>
<td><strong>Integrity</strong></td>
<td>There is a need to put in place effective mechanisms to manage conflicts of interests and regulate post-public employment, in order to mitigate the risks of having phenomena of undue influence and “policy capture” while also preventing potential fraud and theft. Integrity of the public procurement system can be preserved through general standards and procurement specific standards, according to the OECD Recommendation. The Greek PPL, the PPS as well as the SPPA Guidance Note 09/2015 introduce specific provisions aiming at preserving the integrity of public procurement processes, by including specific provisions on conflict of interest for instance (PPL), and by providing tools to identify integrity risks at the different stages of the public procurement cycle (or linking to other tools such as the Guidance note on fraud risk assessment and effective and proportionate anti-fraud measures of the European Commission). The provisions do not foresee the creation of a specific code of conduct for public procurement officials (n.b. the NACAP foresees the establishment of codes of conduct and ethics for all central and local government public officials). The Greek PPL and the PPS do not make any specific reference to asset declarations and whistleblower protection. Greece does not have developed any specific requirements for internal control systems, compliance measures and anti-corruption programmes for suppliers either. It nevertheless introduces the European Single Procurement Document (ESPD)(^8) which is a self-declaration of the businesses’ financial status, abilities and suitability for a public procurement procedure.</td>
</tr>
<tr>
<td><strong>Access</strong></td>
<td>Access to procurement opportunities for potential competitors of all sizes, including the limited use of exceptions to competitive tendering (direct awards, accelerated procedures, etc.), increases competition and decreases corruption risks. In order to ensure access,</td>
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<th>Principle</th>
<th>Comments on the quality of the content</th>
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<tr>
<td>adherents should have coherent and stable institutional, legal and regulatory frameworks in place (taking into account international commitments); deliver clear and integrated tender documentation and use competitive tendering, according to the OECD Recommendation.</td>
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The new PPL, which is in line with Directive 2014/24/EU and the NACAP obligation to ‘make all public procurement rules and procedures fully in line with international requirements and recommendations’ is a positive step towards the fight against corruption in public procurement.

The new PPL introduces specific provisions on the choices of procedures as well as the development and communication of technical specifications, which can contribute to stronger transparency and lower corruption risks. The development of standardised tender and contract documentation (PPS) should also present fewer opportunities for corruption and be easier to monitor for irregularities. The development of a comprehensive guide on public procurement for public and private actors could also contribute to decrease integrity risks.

Efficiency

Efficiency, by reducing waste, reduces the vulnerability to corruption since funds are better accounted for and used for the intended purposes. Sound technical processes (technical specifications, award criteria, evaluation of proposals, etc.) and tools (including centralised purchasing) to improve procurement procedures, reduce duplication and achieve greater value for money can contribute to fight corruption.

The new PPL, which is in line with new EU Directives, includes several provisions on tendering design (set-up of selection criteria, technical requirements, awarding and evaluation criteria) the implementation of which is key in order to avoid “tailoring” the rules of the game which would favour some competitors or restrict competition and transparency and favour corruption.

The new PPL and the PPS recognize the potential of centralizing public procurement processes in order to reduce corruption risks (by centralizing the drafting of technical specifications, by facilitating the monitoring of public spending by audit and control bodies, etc.). The new law includes specific provisions on centralised purchasing activities and central purchasing bodies. The strategy contains very ambitious actions aiming at strengthening the centralization of public procurement processes, including: the preparation of an action plan for the design and implementation of the new central procurement system, the definition and implementation of Framework Agreements, the increased use of e-catalogues as well as the centralization of inter-disciplinary requirements.

E-procurement

E-procurement tools facilitate access to public tenders and improve the transparency of public procurement processes and the accountability of procurement officials, which contributes to mitigating the risks of corruption inherent to procurement processes.

Law 4422/2016 obliges all Greek Contracting Authorities (CAs) to use National Electronic Public Procurement System (ESIDIS) as well as the Electronic Registry for Public Procurement (KIMDIS), in line with the new EU Directives. The implementation of e-procurement systems covering the whole public procurement cycle, including goods, services and works, which is not yet the case, is a powerful tool to fight corruption in public procurement. The adoption of digital processes can indeed serve to enhance the integrity of the public procurement system as face-to-face interactions and other opportunities for potential corruption are reduced through the centralised and automatic transfer of data between systems, being also relevant for improved accountability, oversight and monitoring.
### Principle | Comments on the quality of the content
--- | ---
**Risk management** | Risk management systems contribute to identifying and addressing threats to the proper functioning of the public procurement system, including risks of fraud and corruption and misuse of public funds.

Risk management tools can map, assess and mitigate corruption risks and preserve public integrity throughout the public procurement cycle. Even though it is recognized as key element of preventing corruption, the new PPL does not mention risk management in public procurement at all. The new PPS nevertheless foresees the development of risk assessment tools for identifying and tackling threats to the smooth functioning of the public procurement system, as well as training and public disclosure of risk management strategies.

**Accountability** | Oversight and control mechanisms help to reinforce accountability throughout the procurement process. An effective complaint system contributes to identifying and sanctioning cases of corruption related to public procurement operations. If appropriately used, complaint systems may also reinforce oversight and control strategies and contribute to building a culture of integrity among procurement officials.

In order for the review and remedies system to be used and to support the denouncement of corruption, it indeed needs to be trusted and timely. Against that background, the law (as well as the strategy) provide a response to the challenges related to the management of preliminary appeals by the creation of an Authority for the Review of preliminary appeals, an independent agency to which all preliminary appeals will be sent (for the pre-award stage). They remain vague on the strengthening of the complaints and sanctions system at large (they only foresee an assessment and evaluation and the registration of proposals to improve the efficiency of the Greek system). One main provision of the new PPL to be noted is the introduction of ground to exclude an economic operator from public procurement, including corruption cases.

Both documents aim at strengthening the inspections of public procurement processes, in particular in the area of works, but they do not foresee the creation of a single auditing scheme for public procurement processes that would work horizontally for all sectors. The development of a common monitoring and evaluation (M&E) methodology is a first step towards strengthened harmonization, but it does not ensure strong cooperation mechanisms, the exchange of information and the identification of gaps and good practices. The development of integrity standards/codes of conduct for audit institutions, included in the new strategy, is an important signal supporting the fight against corruption.

As described above (in table 3), the Action Plan of the new National Strategy on Public Procurement also cover the specific areas of health and public works. The measures included in this Action Plan aim at tackling the specific challenges and risks (including corruption risks) in both areas.

For the **health sector**, those challenges and risks were identified in the SPPA report on Health Procurement as well as the annual report of GSAC that were both submitted to the Greek Government Council on Social Policy in December 2015. For more information on the content of those reports, please refer to the assessment on health within this report. The specific challenges in the area of health procurement were confirmed through stakeholder interviews. The measures included in the Action Plan can be considered an effective response to those challenges and risks.

- **Positive trends and gaps:**
Given that the National Public Procurement Strategy (PPS) has been adopted in January 2017 (while the new Public Procurement Law, PPL in August 2016) and the scope of this evaluation includes developments in this policy field that occurred up until May 2017 it is still too early to evaluate their implementation. Interviews, online research and responses to written questionnaires have nevertheless shown some positive trends and some gaps that are highlighted below. The latter also includes the information on the implementation of the provisions related to public procurement included in the NACAP.

**Transparency**

Since October 2015, all Contracting Authorities (CAs) are obliged to publish their public tender information online, through the Diavgeia portal (https://diavgeia.gov.gr/en), the Transparency Programme initiative (or the Clarity Programme). Each document is digitally signed and automatically assigned a unique Internet Uploading Number (IUN) by the system. The enforcement of the Transparency Programme contributes substantially towards establishing a more transparent relationship between citizens and the state. Furthermore, the Greek Government developed a search engine for open public data (UltraCl@rity Programme), which contains all Greek open Government documents; including relevant data and information on tenders and procurement procedures (it searches within the Clarity Programme). According to the Diavgeia website, SPPA is using the portals services in order to retrieve and analyse public procurement activities.

The portal has been established with the objective to promote transparency among the Greek citizens and to encourage the use of public data. Interviews with audit and control bodies have nevertheless shown that CAs are not always publishing their tender documentation online, using the Diavgeia portal. The same comment has been made by audit and control bodies with regards to the KIMDIS portal (more information on KIMDIS in the e-procurement section). There seems not to be any specific mechanism to control the systematic use of the Diavgeia and KIMDIS portals.

The new PPL specifies which elements the CAs have to make public throughout the public procurement cycle (prior information notices, contract notices, contract award notices) and the NACAP specifies that the publicity of all processes of public contracting needs to be increased. The systematic publication of this information needs to be ensured. The public procurement strategy suggests the development of a single website on the functioning of the public procurement market in Greece and the applicable legal and regulatory framework at the European and national level. SPPA has done great efforts to develop a site that covers a lot of relevant information, but it does not include cross-references to websites of other relevant stakeholders.

**Integrity (including training and capacity)**

- **Integrity standards/codes and guidance:**

  With the adoption of the new PPL, the Greek Government has codified, consolidated and integrated the new EU directives and other new provisions that contribute to the fight against corruption in the area of public procurement (integrity, conflict of interest, planning and preliminary consultations in market transparency through electronic tools, exclusion of candidates on ground of corruption, fraud). Law 4412/2016 includes a specific provision on the matter of conflict of interest in article 262 stating that individuals involved in a public procurement contract on the part of the contracting authority and have a direct or indirect financial or other personal interest affecting their impartiality, should be excluded from the relevant procedures. At the same time, the SPPA should be notified in...
cases of conflicts of interests in order to ensure the equal treatment of all bidders. The implementation of the European Single Procurement Document (ESPD), as foreseen in the new PPL, has the potential of increasing the transparency and efficiency of public procurement processes and reduce the risks of corruption (see more information in the efficiency section below).

A few provisions included in the new PPL and new PPS have nevertheless not being implemented yet. The Greek Government has not developed any integrity standards/codes of conduct for audit institutions (nor for public procurement officers). According to the information provided by the Greek authorities, there is no specific handbook to help CAs to handle conflict of interest situations. Generally speaking, the interviews have shown that public procurement officers are not required to be attentive to corruption risks, for instance to monitor public procurement data in order to identify potential corruption cases.

- **Integrity training:**
  SPPA has developed specific trainings that are mostly implemented by the National Centre of Public Administration. There are some basic and some advanced trainings, but focusing on core procurement competences. The trainings are usually including modules on: the new legal reform, the award criteria, the e-procurement system (the use of ESIDIS and KIMDIS). Since the adoption of the new PPL, more than 1000 public procurement officers have been trained.

The new PPS mentions the implementation of awareness and training initiatives on integrity standards and rules of conduct, in particular for audit/control bodies, but the above mentioned trainings do not include specific modules on fighting corruption in public procurement. There does not seem to be any specific integrity training modules that focus on public procurement in high-risk areas, such as health and defence. Also, there does not seem to be any e-learning modules on public procurement, including on integrity in public procurement processes. Therefore integrity does not seem to be part of the certification system for Contracting Authorities (CAs), CPBs and public procurement officers foreseen in the public procurement strategy.

**Access**
According to the latest results of the Businesses’ attitude towards corruption in the EU (Flash Eurobarometer 428, September-October 2015), 66% of companies in Greece say the abuse of emergency grounds to justify use of non-competitive or fast-track procedures is widespread. The interviews conducted during the fact finding missions have for example shown that due to lack of planning and complex tendering processes (under the former law) hospitals have the temptation to do direct purchasing. This is confirmed in the SPPA report on health procurement (given the urgency of many procurement needs in hospitals purchases are undertaken through small direct awards that leads in overpricing, weak competition and corruption). The audit and control bodies have also identified many irregularities related to contract splitting (leading to the use of direct awards instead of competitive tendering).

With the adoption of the new PPL, the Greek Government is making all public procurement rules and procedures fully in line with international requirements and recommendations. In addition to the new PPL (and in order to ensure its implementation), SPPA has published several decisions (Decision 180/2016 and Decision 183/2016) which serve as Guidelines for filling out the Template
Issues for open procedures proclamations for studies contracts above and below the thresholds based on award Criteria (and similar Guidelines for works contracts).

Efficiency

- **Technical processes (technical specifications, award criteria, contract management):**
  According to the above mentioned Eurobarometer report, corruption is widespread in technical processes around public procurement in several European countries. 73% of the Greek companies say the practice of tailor-made specifications for favouring particular companies is widespread. Companies in Cyprus are the most likely to say that conflict of interests in the evaluation of bids is widespread (76%), followed by those in Slovenia (73%), Greece (71%) and Portugal (70%). The audit and control bodies interviewed also pointed out to the fact that corruption also still happens a lot after contract award (the terms of the contract are often been changed for instance).

  Against that background and to be in line with the new public procurement law, Contracting Authorities (CAs) will need additional guidance on drafting technical specifications and developing award criteria, for instance, classical corruption areas. Interviews have shown that SPPA’s guidance (such as the guidance on standard tender documentation) is considered very helpful by CAs. At the same time, it is good to understand that the European Single Procurement Document (ESPD), introduced by the new PPL, is already been used and that CAs are considering it a useful tool to make the procedures more efficient and transparent (according to CAs, documentation is indeed one of the main reasons for rejecting offers).

  Recent efforts from SPPA to develop and publish relevant decisions and guidance to strengthen the technical public procurement processes should be acknowledged. It has indeed prepared the following documents: Decision 158/2016 for the endorsement of the "Standard Template of Official Declaration" of article 79 par. 4 of law 4412/2016 and the Guidance Note 15/2016 for the endorsement of the Decision 161/2016: Guidelines for filling out the "Standard Template of Official Declaration" of article 79 par. 4 of law 4412/2016. Those decisions contribute to ensure the implementation of the new PPL and to prevent corruption at all stages of the public procurement process.

- **Central purchasing:**
  Since 2013, with the support of the European Commission and the technical contributions of international organisations like the OECD, the Greek Government has taken several actions to transform the Directorate General of Public Procurement (DGPP) of the GSC of the Ministry of Economy and Development into an operational Central Purchasing Body (CPB). It has also set up work processes for concluding and managing framework agreements (FA) for goods and services for the Greek central government. For the health sector, there are ongoing discussions to strengthen and improve the current central purchasing system but no further information was available during the time of the present evaluation.

  The interviews have shown that the potential of centralizing public procurement processes is being recognized by Contracting Authorities (CAs), in particular to improve efficiency and streamline
procurement procedures, but also in relation with reducing corruption risks (by centralizing the drafting of technical specifications, by facilitating the monitoring of public funding by audit and control bodies, etc.). At the same time, CAs highlighted that using FAs was cumbersome and not very convenient to purchase urgent items, such as food and drugs. The current central purchasing system for the health sector faces a number of challenges, including understaffing and failure of implementation by hospitals. In addition, interviews and further research have showed that FAs have been developed, but not always signed (for example, up until May 2017, only 8 FAs have been developed, but not signed).

Recent developments are more positive and show great efforts from parts of the Greek Government to strengthen central purchasing. In 2016, two ministerial decisions have been published in the Official Gazette (Nr. 137954 “Provisions for central and ancillary activities by the National CPB” (F.E.K 4515/B'/30-12-2016) and Nr. 20886 “Framework agreements for year 2017 implemented by the National CPB” (F.E.K. 663/B'/2-03-2016)). GSC has developed several new FAs to cover the needs of 18 ministries for a period of two years plus one additional (on copy paper, desktop computers, air-conditioning, led bulbs). GSC is also planning to strengthen the holistic implementation of e-catalogues and published some guidance on the use of e-auctions. Those initiatives are in line with the provisions on central purchasing included in the new PPL and the new PPS, and aligned with international good practices recommended by the OECD.

- **E-Procurement:**
The Greek Government has developed a central portal, known as Prometheus (www.promitheus.gov.gr) that contains links to all the key platforms, as well as training and guidance materials, legal materials, and statistical reports. The key e-procurement platform is the National Electronic Public Procurement System (ESIDIS), which offers e-notification, e-access, and e-submission. CAs need to mandatorily use this system for all contracts over EUR 60,000 since 2014. For the post-awarding procedure, the Greek Government has established electronic tools, such as e-auction, e-catalogue, e-ordering, e-payment and e-archiving. Prometheus also hosts links to the Central Electronic Registry for Public Procurement (KIMDIS), which serves as a transparency register. All procurement notices worth EUR 1,000 and above must be published on this platform. Award decisions are published in the Diavgeia and concluded contracts in KIMDIS. In May 2017, the Greek e-procurement system included 12100 registered economic operators.

The strengthening of the e-procurement system has been mentioned by Contracting Authorities (CAs) as one mean to prevent corruption given that it is limiting the need for physical communication. CAs nevertheless pointed out to the limits of the actual e-procurement system ESIDIS, which does not cover the whole public procurement system; since it stops at the award of the contract and does not cover e-invoicing and e-payment (according to them). As of May 2017, it does not cover works either, only goods and services. KIMDIS is also considered useful in order to strengthen transparency in public procurement processes and to prevent corruption. The audit and control bodies interviewed nevertheless stressed the fact that KIMDIS, even though mandatory, was not systematically being used by CAs and that nobody was checking the correct use of it.

Following the adoption of the new PPL and the new PPS, GSC has prepared a new Ministerial Decision regulating the operation of a new version of KIMDIS (published on 22 May 2017). There also
seems to be continued efforts to strengthen the e-procurement system ESIDIS, in order for it to cover the whole public procurement cycle, including e-invoicing and e-payment. In order to comply with the new public procurement strategy, GSC has to make the two systems ESIDIS and KIMDIS interoperable. It is also worth noting that ESIDIS and KIMDIS are not yet available in English, potentially hindering the participation of foreign suppliers.

**Evaluation**

As mentioned, the Greek Government has developed portals in order to collect relevant public procurement data (Diavgeia, ESIDIS, KIMDIS, etc.). As already stated above, the data does not always seem to be collected in a consistent, up-to-date and reliable way, given that Contracting authorities (CAs) are not systematically uploading tender information on Diavgeia and KIMDIS. At the same time, the integration, interconnection or interoperability between the systems is still very limited and does not prevent duplication or having to input the information in different formats and platforms. Also, interviews have shown that CAs do not have easy access to procurement data. Partly because of this, but also because of their lack of obligation to look for corruption issues, the procurement officers, are not analysing the available data to identify concerns and patterns that may show up corruption risks. Monitoring of public procurement processes is done manually and not in a systematic way. As stressed in the SPPA report on health procurement, operational decisions are not taking into account detailed data that are available on health procurement.

The efforts to strengthen KIMDIS, along with improving the e-procurement system ESIDIS, have the potential to enhance the evaluation of public procurement data. The Greek Government has nevertheless not yet developed and implemented the National Public Procurement Database foreseen in the new public procurement strategy in order to produce statistics. According to the strategy, the Database should have interoperable links with Public Procurement Information Systems.

**Risk Management**

SPPA, in its Guidance Note 9/2015 on the ‘Fight against corruption in public contracts’, developed a red flag system, (i.e. indicators that can help detect corruption cases in public procurement processes). Interviews have shown that SPPA has not monitored the use of those indicators, while audit and control bodies have reported that this red flag system is not being used by Contracting Authorities (CAs). In addition, it is worth noting that this red flag system is not linked to the e-procurement system.

In the framework of the new PPS, it is foreseen to develop risk assessment tools for identifying and tackling threats to the smooth functioning of the public procurement system (including corruption risks). It also foresees the training and public disclosure of risk management strategies. Those measures have to yet been implemented by the Greek Government.

**Accountability**

- **Control and Audit system:**

As presented in box 1, there are several inspectors-controllers bodies in charge of inspection in specific sectors (works, health and welfare services, public administration). GSAC supervises some of
these bodies, but several existing assessments as well as the interviews carried out for this study have shown that the investigations carried by those audit and control bodies are not coordinated, not even in sectors which are prone to corruption, such as tax authorities, national health services, public works, procurement contracts, business state subsidies and local government. The lack of coordination mechanisms particularly prevent the exchange of information on corruption related risks and cases in the area of public procurement. In addition, the interviews have shown that recommendations by the audit and control bodies are often not followed-up by Contracting Authorities (CAs).

The new PPL and new PPS aim at strengthening the control and audit system in the area of public procurement, including the coordination among the main inspection, control and investigation bodies. In order to do so, the Greek Government plans to develop a common methodology for monitoring and evaluation to be used by the competent control bodies, as well as to develop an electronic platform to support the monitoring and auditing powers of SPPA and link this with other existing information systems. These measures have not been implemented yet.

Main vulnerabilities

The adoption of the new Public Procurement Law and the new Public Procurement Strategy (for the period 2016-2020) is an important step towards supporting the fight against corruption in Greece, but needs proper follow-up and monitoring. Fast-changing legislation and policies represent a challenge for public organisations and businesses and does not facilitate the access to public procurement opportunities for all potential competitors. Also, the complexity of the former public procurement framework increased the amount of discretion awarding bodies had in tendering and awarding contracts, created opportunities for obscure practices, and introduced a complicated oversight system, all of which encouraged corruption. The law as well as the strategy are both in line with international good practices (the EU Directive 2014/24/EU and the OECD Recommendation on Public Procurement), but will require adequate follow-up.

The implementation of the new Public Procurement Law and the Public Procurement Strategy require well-resourced, designed, coordinated and sustained efforts from all involved as well as strengthened capacities and tools. The design and approval of the new public procurement law and strategy alone will not produce lasting change in Greece. Only careful and well-designed implementation of the law and strategy will have a positive impact on the public procurement system and ensure sound and transparent public procurement processes. The assessment has pointed out insufficient coordination mechanisms (in particular between GSAC, SPPA and the GSC) and weak capacities, in terms of oversight (control and audit bodies) and implementation (contracting authorities). The delays in terms of implementing tools, such as e-procurement and centralized purchasing, may also hinder the implementation of the law and the strategy as well as the efforts to fight corruption.

In order to reduce corruption in public procurement, a strong political will and a strong culture of integrity are needed. This will lead to a change of perception as well as a change of behaviours, at all levels, within the public administration and among suppliers. According to the latest results of
the Businesses’ Attitude towards Corruption in the EU, 75% of Greek companies say corruption in public procurement managed by central government authorities or regional or local authorities is widespread. At the same time, the analysis has shown that GSAC’s efforts and activities in this sector need to be highlighted to the broader public and that the cooperation at political and technical level, in the area of public procurement, needs to be reinforced in order to tackle the issue of corruption in this high-risk area. The strong political support from the Ministry of Justice, Transparency and Human Rights, and in particular GSAC and other relevant stakeholders, including SPPA and the Ministry of Economy and Development, associated with information campaigns and trainings on corruption in public procurement processes, are a pre-requisite to prevent corruption within the administration and among suppliers. The messages need to reach and be spread at all hierarchical and government levels.

In addition Greek public procurement law has in general been characterised by complexity, overlapping rules, and a fragmentary approach. These deficiencies have increased the risks of ineffective implementation. Despite several recent legislative initiatives, such shortcomings have not been fully addressed, especially in relation to fragmented oversight, the need to further strengthen internal and external control arrangements and the need to increase the level of enforcement. In this context, the attempt of the new PPL to address some of the challenges is commendable and results remain to be seen after the implementation.

Within this framework and based on the analysis of the sector for this study, the assessment has identified a certain number of risk factors that increase vulnerabilities to corruption in public procurement procedures:

- No single strategy for fighting corruption in public procurement
- Lack of coordination among the main stakeholders of public procurement
- Lack of communication/sensitization (v.gr. towards suppliers)
- Lack of implementation of the new public procurement law and the new public procurement strategy
- Lack of culture of integrity
- Lack of resources and/weak capacities (in particular at the local government level)

In addition, according to the European Union Anti-corruption Reports, the following practices seem to be widespread in public procurement in Greece:

- Conflicts of interests in the evaluation of bids (there is no indication of how potential conflicts of interests are being systematically checked in public procurement procedures, notably at local level)
- Specifications tailor-made for particular companies
- Involvement of bidders in the design of the specifications
- Abuse of negotiated procedures
- Collusive bidding

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9 Flash Eurobarometer 428, September-October 2015
10 Greek section of the European Commission Annex to the EU Anti-Corruption Report, 2014
Recommendations

Based on the analysis of the existing strategies and plans related to anti-corruption in public procurement and their implementation, the assessment has identified a certain number of areas that could be improved in order to strengthen the fight against corruption in this high-risk topic. The recommendations listed below also include actions of the NACAP and the new Public Procurement Strategy which have not been implemented yet and/or on which the evaluator has not enough evidence on their implementation (due to the partial responses received to the questionnaire submitted to relevant stakeholders in March 2017).

The list starts with issues related to oversight, responsibilities and institutional arrangements. The areas that focus on content rather than on process are organized according to the 12 principles of the OECD Recommendation on Public Procurement (please refer to annexes 1 and 2), starting with the ‘integrity’ principle.

Strengthening the cooperation between GSAC and the relevant stakeholders in the area of public procurement (see box 1) in order to ensure the implementation of the different initiatives aiming at preventing corruption in public procurement processes.

To do so:

- Stakeholder agencies and organisations should nominate one focal point (or liaison officer) in charge of anti-corruption issues related to public procurement, in line with action 1/8 of the NACAP (Enhance cooperation through liaison officers). This person needs to be trained in public procurement and his/her mission and role needs to be communicated to the relevant stakeholders.
- Regular coordination meetings need to be organized between GSAC and the relevant stakeholders. These meetings should aim at monitoring the implementation of relevant actions of the NACAP and to identify and discuss new challenges.
- GSAC should be invited to join the meetings of the new bodies (political and technical) in charge of the implementation of the Public Procurement Strategy. This should allow GSAC to be informed of the implementation of the strategy (which is one main component of the NACAP).

Ensuring the implementation of the Public Procurement Strategy (and relevant provisions of the Public Procurement Law and the NACAP), by informing relevant stakeholders, including contracting authorities, of their content and by ensuring a proper monitoring system.

To do so:
• The new Public Procurement Strategy (as well as the Public Procurement Law) should be published on all relevant websites. These websites should be updated and include cross-references (for example: the website of the Ministry of Economy and Development needs to include links to relevant documents published on the SPPA website).
• SPPA and other relevant stakeholders should ensure the development and publication of the relevant decisions and guidance notes required for the implementation of the new Public Procurement Law.
• SPPA and the Ministry of Economy and Development, in particular GSC should coordinate the provision of information and training sessions to contracting authorities, service providers, accredited suppliers on the new PPS and the new PPL, in line with actions 57, 58, 69, 70 and 71 of the Action Plan of the new PPS.
• The Political and Technical Bodies in charge of coordinating and controlling the implementation should meet on a regular basis, in line with Decision n°50A/20.01.01.2017.
• Specific working groups should be formed to discuss and ensure the implementation of actions for which more than one organisation/body is in charge.
• The content of the Action Plan of the new PPS should be refined: relevant stakeholders (for example the Technical Body) should identify results indicators, baseline as well as verification sources.
• The NACAP and the new Public Procurement Strategy should be monitored on a quarterly basis (and not a yearly basis) and evaluation reports should be published on a yearly basis, on the basis of output and results indicators. Reports should also put forward good practices in order to help capitalizing on past experience (in specific sectors for instance).

**Developing standards of integrity and raising awareness on corruption issues among all stakeholders in the public procurement cycle in order to strengthen the culture of integrity and prevent corruption in the area of public procurement.**

To do so:
• GSAC and SPPA should develop a specific code of conduct for public procurement officials, in line with actions 37 (Codes of conduct and ethics for all central and local government public officials have to be established) and 39 (increased adherence by professionals and their associations to established standards and codes) of the NACAP.
• SPPA should update its Guidance Note 9/2015 on the ‘Fight against corruption in public contracts’, taking into account recent provisions (it still refers to former public procurement law 4281/2014).
• SPPA, along with GSAC and other relevant stakeholders, should develop a sustainable training module (apart from the existing ones provided by the National School of Public Administration) focusing on initiatives and tools to prevent corruption in public procurement, in line with actions 18 (Development of a training policy to support long-term anti-corruption strategic planning and capacity development) and 38 (Introduction of integrity tests for public officials) of the NACAP. The module should include specific integrity courses that will be focusing on high risk areas, such as health and defence. The training can be developed as an e-learning module, as is already the case in other European countries, done with the support of the OECD. It should be part of the certification programme of contracting authorities, CPBs and public procurement officers.
• SPPA, along with relevant stakeholders, should develop specific integrity training modules that focus on public procurement in high-risk areas, such as health and defence.

• GSAC, along with relevant stakeholders, should develop a sensitization campaign targeting public procurement officials and suppliers to show that corruption is not tolerated anymore, in line with action 17 of the NACAP (Increased information on corruption and anti-corruption actions given to public and private sector).

• All ministries, agencies and (large) contracting authorities (for example the General Secretariat of Public Works) should designate ‘integrity’ focal points to guide public officials, including public procurement officers, when they need guidance on integrity related issues (e.g. when receiving a gift or when conflict of interest situations arise).

• The Greek Government should develop a public policy regarding what it expects from its contractors by way of integrity and avoiding corruption. The Greek Government should require every contractor who wishes to participate in public tenders to certify that it has put in place an ethics and anti-corruption compliance policy. In addition, it could consider introducing integrity pacts or other type of agreements between the government agency offering a contract and the companies bidding for it, where it is mentioned that they will abstain from bribery, collusion and other corrupt practices for the extent of the contract, especially for large infrastructure and complex projects.

• The Greek Government should ensure that the relevant laws foresee cooling off periods for former public (procurement) officers as well as rotation of public procurement officers.

Ensuring an adequate degree of transparency of the public procurement system in all stages of the procurement cycle by further developing and using existing digital platforms and technologies (Diavgeia, ESIDIS and KIMDIS).

To do so:

• SPPA should develop a single website on the functioning of the public procurement market in Greece and the applicable legal and regulatory framework at the European and national level (in line with what has been proposed in the new PPS). The website should also include information on the performance of the public procurement system (e.g. benchmarks, monitoring results).

• The Greek Government should ensure that the Transparency Portal (Diavgeia) as well as other platforms such KIMDIS are being correctly used by all contracting authorities in order to publish relevant information on public procurement, and that overlaps and duplications are avoided, simplifying the requirements and the administrative burden for contracting authorities.

• SPPA should ensure the development and implementation of the National Public Procurement Database in order to produce statistics and monitor indicators. This Database should be interoperable with the Public Procurement Information Systems, in line with actions 25 and 76 of the Action Plan of the new PPS.

• The Ministry of Economy and Development, in particular GSC, should ensure the implementation of the new KIMDIS, as described in the Ministerial Decision Nr 57654/2017, FEK B’ 1781/23-05-2017, in order to comply with action 22 of the Action Plan of the new PPS.

• The Ministry of Economy and Development, GSC should ensure the implementation of the e-procurement system ESIDIS for the whole procurement cycle. It should include an e-invoicing module, in order to comply with action 24 of the Action Plan of the new PPS. It should also include public works, and not only goods and services.
• The Ministry of Economy and Development/GSC should ensure the full interoperability between KIMDIS and ESIDIS, and between these systems and any other platform that receives, processes or uses public procurement information.
• The Ministry of Economy and Development/GSC should update the manual for Prometheus as well as other relevant guidance on the ESIDIS and KIMDIS systems.
• The Ministry of Health, in cooperation with the Ministry of Economy and Development, GSC, should create a single electronic system for monitoring all purchases in the health sector that would include data on stocks, in order to comply with action 97 of the Action Plan of the new PPS.

Developing and using tools to improve procurement procedures, including centralised purchasing, framework agreements, including at the local government level and in specific sectors (example: health) in order to drive efficiency and to prevent corruption in public procurement processes.

• In line with actions 7 and 8 of the Action Plan of the new PPS, the Ministry of Economy and Development (GSC) should ensure the implementation of the new central procurement system defined in the two ministerial decisions published in 2016 (‘Provisions for central and ancillary activities by the National CPB’ and ‘Framework agreements for year 2017 implemented by the National CPB’).
• In line with actions 9 and 10 of the Action Plan of the new PPS, the Ministry of Economy and Development (GSC) should ensure the implementation of Framework Agreements (FAs), including the 4 FAs covering the needs of 18 ministries for a period of two years plus one additional (on copy paper, desktop computers, air-conditioning, led bulbs).
• The Ministry of Economy and Development (GSC) should develop a methodology for identifying categories of products, goods and services suitable to be included under framework agreements, and develop guidance and training in the management of this tool.
• The Ministry of Economy and Development (GSC) should promote centralised purchasing at regional level in order decrease corruption risks at municipal level (and strengthen the efficiency of local government contracting). The discussion on how to strengthen the centralization at this level could be conducted in the framework of the GSAC working group on fighting corruption at the local government levels.
• SPPA, in close cooperation with the Ministry of Economy and Development (GSC), should adopt model documents for tendering with the use of new techniques, including framework agreements, in line with action 66 of the Action Plan of the new PPS. These should complement the guidance provided by the GSC.
• The Ministry of Health should ensure the implementation of the National Central Authority for Health Procurement (NCAHP). In addition, some purchases of the Ministry of Health and the Ministry of Defence (non-military) could be consolidated (for example, drugs and medical devices for hospitals).

Strengthening the oversight and control mechanisms to detect corruption, fraud and conflicts of interest; developing and applying risk management tools in order to prevent corruption in public procurement; and implementing appropriate complaints management and sanction processes.
• GSAC should develop integrity standards or a code of conduct for the audit and control bodies and implement awareness and training initiatives on integrity standards and rules of conduct for audit and control bodies, in line with actions 81 and 84 of the Action Plan of the new PPS.

• SPPA should develop risk assessment tools for identifying and tackling threats to the proper functioning of the public procurement system, including risks of fraud and corruption, and misuse of public funds, in line with action 79 of the Action Plan of the new PPS. SPPA should also ensure that public procurement officers and audit and control officers are being trained to use the risk assessment tools (action 80), by developing a concrete training action plan with modules that can be then used by the National Centre of Public Administration.

• The Greek Government, in particular the National Coordination Authority for European Funds (NCA) and the Special Service for Institutional Support, should ensure the use of the Fraud Risk Assessment tool of the European Commission and relevant guides in the framework of co-funded projects and may promote its use in the framework of other projects in order to strengthen the prevention and deterrence of fraud and corruption.

• The Greek Government should ensure the possibility to all relevant stakeholders to denounce potential corruption cases and for all bidders to file a complaint during the pre-award stage, such as the call for tender, opening of the proposals and the award decision, as is currently the case in the framework of co-funded projects.
2. Assessment of ongoing reforms in the Health sector

Introduction

The Greek National Health Care System (ESY) has undergone major transformations with several reforms implemented over the past decade. During the recent economic crisis, Greece implemented policies that involved serious cuts in the financial budget of public hospitals, imposing in turn a growing pressure on the health care system and having direct quantitative and qualitative consequences in the way public health care services are provided. According to the OECD, in Greece between 2009 and 2013, public spending on health fell by EUR 5.2 billion – representing a 32% drop in real-terms.

In addition, corruption is an important factor that makes the provision of care in Greece less effective. Embezzlement from health budgets, fraudulent drug procurement, health insurance fraud, or bribes extorted at the service delivery level undermine efforts to improve the health of the Greek population.

Despite the significant reductions in the public budget for the health sector, a lack of sanctions imposed for corruption offenses, a failure to design and then implement adequate integrity measures are the main arguments showcasing the apparent lack of political will for thoroughly addressing corruption in the health sector. Conversely, the reported importance attributed to the topic by the current Health Minister, the fact that the Ministry of Health (MoH) has started introducing measures and worked with the OECD to consolidate in a new anti-corruption action plan all the ongoing activities plus new ones are all arguments that stress the determination of Greek public health authorities to tackle the problem. As a result of this commitment, an anti-corruption action plan with 61 specific measures is now available and ready for implementation.

Main findings

In Greece healthcare is delivered by a mix of public and private service providers, and the system is broadly divided into primary, secondary and tertiary tiers of service delivery.

Primary healthcare is provided through the National Health System (ESY). This includes rural health centres and local centres for health services (there are different types based on capacity, geographical and population criteria), as well as public hospital outpatient departments... Primary healthcare services are also extensively provided by the private sector. This includes physicians in private practice who are under contract with EOPYY providing services to civil servants and pensioners. People also purchase (covered by private insurance schemes or out of the pocket money) services from physicians in private practice and diagnostic centres, laboratories and private hospital outpatient departments providing services outside the National Health System.

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12 OECD Overview. Health policy in Greece (2016)
Secondary and tertiary health care is provided by National Health System hospitals (ESY), other non-ESY public hospitals and private clinics. According to the type of services they offer, Greek hospitals are categorised as either general or specialised. General hospitals include multi-specialty departments across most disciplines of medicine. Specialised hospitals are referral centres usually for a single specialty.

- **Main actors**
  The Ministry of Health (MoH) is in charge of developing the national health policy strategy, defining public health and policy priorities, specifying the regulatory framework, defining the system organigram and providing the overall management of the health care system as a whole. The Ministry of Health through the National Health System (ESY) provides goods and services to residents and citizens of Greece.

  The National Health Services Organisation (EOPYY), purchases the goods and services for its insurees. At the moment the Social Security Funds continue to collect health-related contributions from those insured and submit them to EOPYY. EOPYY then commissions providers of health care, both public and private.

  EOPYY and ESY are also funded form the State general budget. The budget for ESY is defined annually in Parliament when the general budget is approved. In recent years, authorities have tightened the monitoring over the budget execution of both ESY and EOPYY. The information system has been strengthened and financial flows are regularly followed up on both an accrual and cash basis. There are also seven Regional Health Authorities and their role vis-à-vis the administrative regions is under evaluation. Nevertheless, decision-making remains highly centralised (which may actually have helped with the implementation of cost containment policies in recent times)

  The National Central Authority for Health Procurement (NCAHP) is the centralised purchasing agency for the Ministry of Health and tenders for and purchases centrally medicines and medical devices. It should be noted that the NCAHP replaced the former Health Procurement Commission (EPY) according to article 21 of Law 4472/2017.

  The National Agency for Pharmaceuticals (EOF) is in charge of developing and implementing pricing and reimbursement policies, clinical and economic evaluation.

  The Electronic Governance of Social Insurance SA (IDIKA SA), the IT agency for the Ministry of Labour, Social Insurance and Social Solidarity maintains the eHealth prescription system and monitoring prescription together with EOPYY who receives the data on a daily basis.

- **Regulatory framework**
  The main characteristic of the Greek health system is its complexity and fragmentation. Although a national health service was established in 1983, the social health insurance system that preceded it was not abolished and the two systems have continued to exist alongside each other. This has resulted in different funds and structures with different population coverage, contribution rates and benefit packages, resulting in inefficient operation and unequal outcomes.
After the economic downturn in Greece in 2010 some reforms have been adopted. Probably the most significant one was Law 3918/2011 as it introduced a major restructuring of the system by establishing a unified health insurance fund (the EOPYY), which combines the formerly separate health sectors funds of private employees (IKA), liberal professions (OAEE), agriculture (OGA) and civil servants (OPAD). The EOPYY, which covers the vast majority of the Greek population, became the single purchaser gaining bargaining power in the market for drugs and medical services vis-à-vis health care providers or producers. The immediate impact, has, however, been a reduction in coverage, both in terms of the proportion of people covered by social insurance (as this is linked to employment, which fell significantly from 2009 to 2014) and in the health benefits to which coverage entitles them.\(^\text{13}\)

The regulation of healthcare services is rather centralised. As mentioned before, the Ministry of Health is responsible for the regulation and management of the ESY and the regulation of the private sector. However the social health insurance schemes fall under the authority of the Ministry of Labour, Social Insurance and Social Solidarity. There exist no statutory links between the two parts of the Greek healthcare system and there also no institutional bodies to coordinate common issues.\(^\text{14}\)

In June 2011 the health services functions of the social insurance funds were merged in a single entity (EOPYY) to create a single purchaser. This entity was also tasked with managing the provision of primary care services, contracting with providers and setting quality and efficiency standards. It is obliged to cover all citizens, even the unemployed or bankrupt, by providing free access to physicians and medicines, regardless of insurance status. Those who are uninsured, for example due to the crisis, could be covered by the public budget or other sources (e.g., European Social Fund or the European Cohesion Fund) on a pre-determined annual basis. A EUR 5 entry charge to access hospital facilities was introduced, as much to regulate demand as to generate revenue, but aroused widespread controversy and was abolished in early 2015. On the supply side, there was an effort to decentralise health authorities and the hospital sector. However, the new regional authorities have yet to make their mark. Major efforts were expended to contain costs in hospitals, involving structural reforms (some mergers of hospitals), changes to the hospital payment system (launching of DRGs), reductions in the cost of hospital supplies (new procurement system), and changes in pharmaceutical pricing. In February 2014, law 4238/2014 reformed the primary health care system and established the National Primary Health Care Network, coordinated by the regional health authorities, and a referral system based on General Practitioners.\(^\text{15}\) This system has been recently reformed according to Law 4486/2017.

The Greek National Anti-corruption Action Plan (NACAP) gives special consideration of the particular needs in the health sector. In this regard it asks for the establishment of the standards and principles, on which the individual health organisations and agencies should base their own efforts


\(^{14}\) Study on Corruption in the Health Care Sector, European Commission, 2013

to enhance the fight against corruption regarding their specific activities. For that the National Anti-corruption Strategy calls for the development of a health sector strategy based on a risk management approach. According to the NACAP, the health strategy and action plan are to be implemented and monitored in cooperation with the Ministry of Health.

- **The Health Anti-corruption reforms**

The MoH has engaged in implementing a set of reforms aiming at strengthening integrity, transparency and accountability across the health sector including all public and private organizations acting in this area. These activities include the main proposals of a previous 2014 draft and also takes note of the conclusions of the October 2013 Study on Corruption in the Health Care Sector by the European Commission. This set of reforms was used as the starting point for the new plan developed in 2017 by the MoH with help from the OECD technical experts. The main four focus areas will be public procurement, transparency in legal entities, cost of medical and pharmaceutical treatment and corruption in health professionals.

During the conversations held for the purpose of this study the Ministry of Health has shown commitment in working on:

- Better information availability and transparency
- More robust purchasing and stock management
- Stronger controls over high pricing of medicines and materials
- Stronger controls over corruption in medical practices
- Clamping down on inappropriate legal and administrative structures
- Better auditing (admin and clinical) and better controls are needed
- Strengthening and speeding up sanctions and discipline

The table below summarizes the specific measures that will be undertaken:

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<th>Health AC Specific Measures</th>
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<td>The internalisation of services by means other than public contracts</td>
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<td>Rationalisation of expenditure for medical and pharmaceutical treatment:</td>
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<td>- Health Technology Assessment (HTA)</td>
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<td>- Therapeutic protocols and prescription restrictions</td>
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<th>Institutional reforms against</th>
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<td>Co-operation between inspection and control authorities:</td>
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16 HOME/2011/ISEC/PR/047-A2
2. ASSESSMENT OF ONGOING REFORMS IN THE HEALTH SECTOR

Health AC Specific Measures

| Corruption | • Cohesive registry for sharing information  
• Permanent co-ordination mechanism  
• Reinforcement of inspection and control Bodies |

Dealing effectively with corruption in health professionals:
• Completion of the Electronic Prescription System  
• Electronic Health Record (EHR)  
• Creation of Electronic Health Registries  
• Clinical Protocols  
• Monitoring the implementation of Directive 2005/36/EC  
• Reform of the Code of Conduct and Ethics of health professionals  
• Legal framework for Health Providers  
• Enhancing Internal Audit capacity to contribute to the prevention, detection and reporting of Fraud and Corruption  
• Establishment of patient’s rights offices  
• Surgery waiting lists in public hospitals

• **Current initiatives that could have an impact on reducing corruption**

While the leadership of the MoH has set clear priorities for the future with the abovementioned actions regarding the fight against corruption, there are also measures that are already being implemented by the Greek Administration. Below are mentioned some of the most relevant:

**The National Strategy for Public Procurement 2016-2020**

The new National Strategy for Public Procurement provides with specific recommendations to strengthen the transparency, integrity, efficiency and accountability of public procurement processes in the health sector. Below there is a list of the specific provisions to fight corruption in the public procurement of health:

• Preparation of a study for public procurement in the health sector  
• Reform of the Price Observatory for Health  
• Establishment of uniform technical requirements and standards per service and product purchased in the health sector  
• Creation of a single electronic system for monitoring all purchases in the health sector that would include data on stocks  
• Development of single identification codes for all health materials and services  
• Implementation of risk assessment tools  
• Strengthening the controls in the health sector, based on a rating system

Given that the National Public Procurement Strategy has been adopted in January 2017 (and the new Public Procurement Law, PPL in August 2016), it is still too early to evaluate their implementation. Interviews, online research and responses to written questions have nevertheless shown some positive trends.

The Ministry of Health, along with the **Single Public Procurement Authority (SPPA)** and **GSAC**, has made great efforts in order to fight corruption in the high-risk area of health procurement. SPPA and
GSAC have carried out specific studies to identify gaps and challenges (that correspond to one action of the Action Plan of the new public procurement strategy) and the MoH has taken up the observations included in both reports. One first result is the development of a law on health procurement in response to SPPA’s observation that the legal framework was confusing, with sometimes contradicting regulations, resulting in the incapability of proper implementation.

One second result is the establishment of the new National Central Health Procurement Authority (NCHPA) which mandate includes the development of a strategic and operational plan for implementing centralized purchasing of goods and services in the health sector (in order to increase their quality, to strengthen competition and transparency in public procurement processes, and to achieve savings) as well as to monitor and control their use (in order to reduce waste, mismanagement, etc.). The new NCHPA has the great potential to reduce corruption in health procurement in Greece, in case it is properly implemented.

In order to achieve those objectives, the new health procurement authority aims at developing an integrated electronic platform or Unified Data Register on Health Procurement (one action included in the Action Plan), including a Register for codification and nomenclature, a Register of Technical Specifications and a Register of pricing which is going to replace the Price Observatory for Health (all included in the Action Plan). In addition to what is foreseen in the Action Plan of the new strategy, the Ministry of Health is planning to develop a Register for Materials Consumption. The NCHPA will be also in charge of developing new procurement tools, including Framework Agreements as well as Dynamic Purchasing Systems, DPS and e-catalogues. It is worth noting that the proposed scheme will be mandatory for all the entities involved and that the participation will be monitored through the new integrated electronic platform.

The only issues not covered in the concept paper are: the development of risk assessment tools and the strengthening of controls in the health sector, based on a rating system.

These are key structural reforms. However, it will probably take two years to have a significant impact. The MoH will not wait while the NCHPA is getting established, but will take multiple steps in a ‘transition plan’ to get better value out of current health procurement. An early implementation team will be established which will review pricing and procurement of a limited range of materials and products (maybe 50-100 in the first step) and insist on lower prices across the hospital health system for them. A key part of the plan for the NCHPA is to set up framework agreements, to get better prices nationally for products. Ideally the NCHPA before signing any agreement should have received the necessary evidence about the providers’ capability to cover existing needs. However, such framework agreements can be difficult to implement. For example, commercial providers may not be able to fulfill the requirement nationally, perhaps because of high volume or geographic coverage reasons.

The Action Plan of the new National Strategy on Public Procurement includes several actions aiming at tackling the specific challenges and risks in the health sector. For instance, actions like the reform of the Price Observatory for Health; the establishment of uniform technical requirements and standards per service and product purchased in the health sector; the creation of a single electronic system for monitoring all purchases in the health sector that would include data on stocks and the
development of single identification codes for all health materials and services can be considered an effective response to corruption risks.

**The strengthening of the National Health Services Organisation (EOPYY)**

In recent years, the authorities have taken several steps to improve health care delivery in Greece. The creation of EOPYY, is an important step in enhancing efficiency in financing and access to care. With EOPYY, contribution rates across professions and population groups were harmonised considerably. The programme also included the introduction of centralised tendering of specific hospital supplies, which has led to significant savings, as the differences in prices paid by different hospitals have been eroded. However, the proportion of purchasing that is conducted through centralised tendering is still relatively low, indicating there is still scope to achieve further increases in efficiency\(^{17}\).

**Putting arm’s length bodies under public law**

In the past, a number of legal entities were established, funded partially or fully by the Ministry of Health that were exempted from rules providing transparency, accountability and objectivity in the public sector, and several are implicated in corruption schemes (v.gr. KEELPNO or OKANA). Some of these entities fall under public law provisions, but the ones where there has been most abuse were established under private law provisions. The inclusion of these legal entities into the general transparency rules of the public sector is a major political goal\(^{18}\). The MoH is implementing tailored reform programmes for the most complex entities, like KEELPNO and OKANA. This will include organizational reform and newly defined rules for all the internal operations and processes.

**Diagnosis Related Groups (DRGs)**\(^{19}\) system

The DRGs is a system for defining hospital products based on the characteristics of patients receiving similar sets of services. The system, recently developed, constitutes the method with which the public sector can classify each clinical incident with a concrete code debit on the base of patient diagnosis and the relative clinical interventions or medical actions. The DRG payment method has been adopted for certain cases, where fees are set at approximately the actual cost of services delivered. This measure was introduced as a means of alleviating the problem of systematic underpayment. The MoH plans to change the hospital payment method in the future; however, it has not yet been decided how the change will be introduced or whether it will involve the expansion of DRGs or the introduction of global budgets\(^{20}\).

\(^{18}\) a) Public logistics and principles of fiscal management and audit (law 4270/2014), based on Directive 2011/85/EC. b) Public procurement (law 4412/2016), based on Directives 2014/24/EC and 2014/25/EC; c) Objective and pre-determined criteria for the recruitment of personnel, subject to the control of independent authority (ASEP, law 2190/1994), based on article 103 of the Constitution.
\(^{19}\) Κλειστά Ενοποιημένα Νοσηλεία (KEN) in Greek.
\(^{20}\) Health Systems in Transition (HiT) profile of Greece. [http://www.hspm.org/countries/greece09062014/livinghit.aspx?Section=3.6%20Payment%20mechanisms&Type=Section](http://www.hspm.org/countries/greece09062014/livinghit.aspx?Section=3.6%20Payment%20mechanisms&Type=Section)
The KEN-DRGs System
In January 2012 the Ministry of Health implemented the KEN-DRGs System concerning Diagnosis Related Groups. Since then Greek hospitals modified the way services are charged. Until then, social security covered hospitalization costs for people insured with them, based on the invoices for materials and medication and days of hospital stay. With the new system, charges are based on the Code Number of the category of the patient's condition, which corresponds to a fixed charge for all hospitals. However work is still on-going and progress is currently unclear.

The introduction of E-prescription and E-reimbursement
There have also been developments in the area of Health Technology with the introduction of two web-based platforms that facilitate coordination among healthcare providers and social insurance funds: e-prescription and e-reimbursement. Both platforms have been recently launched and their deployment has been accelerated in order to address the financial crisis. The "e-Prescription" project is a digital social service which aims to unify all national social insurance funds through a fully integrated e-Prescription platform that supports the management and monitoring, while also controlling the lifecycle of drug prescription. This cycle begins with the drugs prescription or laboratory test referrals, from monitoring their issuance until payment of the final beneficiaries and encompasses the clearance of the transactions of all national social insurance funds, doctor visits and electronic medical act referrals. With e-Prescription patients benefit from a reduction of difficulties over prescription insurance coverage, they enjoy a more simple process, especially when it comes to renewals of prescriptions. At the same time there is less paperwork for the health authorities and less unproductive time spent on bureaucratic procedures. The e-reimbursement initiative (labelled e-DAPY) supports the transfer of information from private healthcare providers to reimbursing authorities. The aim here is to capture and transfer information in a timely and accurate manner, to manage healthcare procurement and reimbursement processes, and build the knowledge base required to support policy development.

The improvement on IT and modern accounting systems
Recently the Ministry of Health has improved the accounting system in public hospitals by establishing accrual-based accounting systems. Thanks to this improvement hospitals have started publishing online their accounts. Hospital funding and financial flows from various sources are now transparent and monitored on a regular basis and arrears have been significantly reduced. Further, centralised purchasing has improved even if at slow speed with important savings, sometimes reaching more than 50% in price reduction paid for some medicines and medical supplies. Performance indicators have been introduced in order to assess the performance of hospitals and identify specific challenges.

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Main vulnerabilities

As it has been mentioned before, Greece is currently developing strategies and reforms to tackle healthcare corruption. However, tangible results are still scarce and difficult to measure.

The scarcity of resources, distortions in their allocation and irregularities and corruption in healthcare expenditures all heavily compromise the functioning of the sector and its public image. Under these circumstances, access to treatment, as well as the timely and adequate delivery of services, is the main reason for the extraction of small-scale bribes (petty corruption or Fakelaki).

Additionally, interviewees pointed out cases of grand corruption, involving actors such as the pharmaceutical industry and political elites. This illustrates the weaknesses of health sector governance and their impact on service delivery.

The assessment carried out suggests the following types of corruption are present to some extent in the Greek health sector:

- Under-the-table payments, bribes, gifts
- Favouritism, nepotism
- Incorrect treatment and billing (over-provision of services or provision of services not medically indicated)
- Fraudulent billing (for services not provided or fictitious bills for ghost patients)
- Beneficiary fraud (bribes to receive services that the patient is not entitled to)
- Abuse of public equipment for private purposes
- Stealing of medications from public institutions and sale for private gain
- Irregularities in the processes of recruitment, promotions and transfers

Under these terms, there are different situations where people may behave corruptly in the Greek health system:

- Insiders – administrative staff, doctors and surgeons - taking advantage of vulnerabilities in the health system for personal enrichment.
- Officials taking shortcuts to make the system work. These often start out with good intent, such as speeding up the process to get an essential result, like a vital spare part for a hospital scanning machine. But such shortcuts afterwards can easily become avenues of corruption.
- Supplier companies exploiting the complexity, lack of centralization and poor systems of the public organisations.
- Patients paying bribes because this gives them more certainty of outcome, such as achieving a better position on a waiting list or access to an ICU bed. This is ‘sort of’ voluntary, but it is also a form of extortion.

Within this framework and based on the analysis of the sector for this study, 27 corruption vulnerabilities were identified. They were organized into seven areas of structural reform:

1. Better information availability and transparency
   - Poor operational and management data helps corruption going undetected and unreported. Gross inefficiencies persist in the health system, which encourages corruption to bypass it.
   - Poor drug’s forecasting might lead to stock abuse and mismanagement.
• Hospital’s budgets are not based on a scientific rationale; this leads to ineffectiveness and creates room for discretion and corruption.

• In a mixed public/private system, competition from the private sector should be driving public sector improvement. For this to work needs greater transparency of information from the public and private sectors, so inefficiencies and corrupt areas are exposed.

2. More robust purchasing and stock management
• Tendering procedures are too complex which makes them vulnerable to abuse and corruption.
• Highly decentralized procurement, where purchasing is separately implemented in each hospital and agency, similarly allows for both inefficiency and corruption.
• Poor stock management. There are neither central controls nor any regular review of appropriateness of usage of medicines and supplies.

3. Stronger controls over high pricing of medicines and materials
• Pharmaceutical companies seem to be ‘gaming’ the system to keep medicine pricing as high as possible.
• The drugs supply chain allows for a legal parallel trade in drugs for export that might end corrupting the system.
• High pricing of health products. Almost as much is spent on health products than on medicines, but it receives almost no attention by comparison with medicine price control. It is at least as large, or larger, a corruption risk as medicines.

4. Stronger controls over corruption in medical practices
• Over-expensive choice of medicines by doctors.
• Inappropriate medical procedures. The lack of clinical protocols means that there is no straightforward way, as there should be, for the preferred treatment to be well defined.
• Inappropriate prescribing and misuse of the electronic prescription system.
• Improper benefits accepted by health professionals, such as conferences, provided by medical companies.
• Inadequate control of non-intervention studies.
• Acceptance of donated medical devices that lead to un-serviceable operating commitments.

5. Clamping down on inappropriate legal and administrative structures
• Many legal entities in health are not properly under the control of the MoH. In some of them, like KEELPNO and OKANA, there has been large-scale collusion and corruption.
• Constraints on human resources management. The laws impose many constraints, on reorganizations, on recruitment for skills, on moving staff to other locations, or for sanctioning staff, etc. These heavy restrictions mean that many poor practices and corrupt practices are perpetuated.
• Citizens may prefer to pay bribes. There are two levels of bribing: First, citizens feel that by paying bribes they will receive better quality of medical services. This is in some cases,
endorsed by the professionals. Secondly, whilst they know that it is wrong; citizens find that it is sometimes inevitable to pay bribes in order to get access to surgery or other facilities.

6. Better auditing (admin and clinical) and better controls are needed

- Internal auditors are essential to monitor procedures. However they hardly exist in the Greek health care organisations and so procedures are not improved and corruption can persist.

- Clinical auditing is a powerful control that seems not to exist in the Greek public health system. Lack of clinical (or medical) auditors means that poor or potentially corrupt clinical practices are not revealed and corrected.

- There is grossly inefficient payment of prescription charges to suppliers. The health sector has a large backlog of invoices to pay for medicines and other products paid out on prescription. This might encourage corrupt invoicing.

7. Strengthening and speeding up sanctions and discipline

- Individual cases of illegal contact of health professionals in the public health sector are often reported, but not concluded. These corruption incidents and cases involve, among others: Pre-selection of patients, directed or nominal prescription of drugs and diagnostics, issuing of false documents, informal payments and illicit or illegal circulation or disposal of medicines and others.

- The disciplinary processes are usually very slow, very procedural, and open to error, allowing the corrupt to escape sanction.

- The contemplated sanctions for misconduct are minor (v.gr. maximum one month’s suspension on full pay). This might play as a perverse incentive.

- Doctors are seen to escape sanctions because they are protected by their peers and by their professional associations. This is the case in the disciplinary procedures in the Medical Union, but not always in the MoH procedure.

- Culture of opaqueness. Hospital officials mostly do not want to cause problems by speaking out about corruption realities.

Recommendations

Strong highest-level leadership

Due to the fact that sectoral anti-corruption strategies are multi-stakeholder processes they need strong political commitment, at both central and local government levels. Without high-level political support and without the sense throughout every level of government that the senior leadership backs the strategy and its drafters, a sectoral anti-corruption strategy is unlikely to be effective. A good method to help obtaining “buy in” is to ensure the appropriate participation in the strategy drafting phase of representatives of any government agency affected by any part of the anti-corruption strategy. The consultations should extend not only to the political leadership of the various implementing agencies, but also to the technical staff or career civil servants who will play a key role in implementing the strategy’s recommendations. This interaction in the drafting process may also facilitate cooperation at the implementation, monitoring and evaluation phase of the sectoral strategy.

Further, the drivers of the reform process need to have the institutional capacity, including human and financial resources. Including all relevant stakeholders at an early stage increases the chances of
designing an adequate anticorruption approach and implementing it to create a sustained impact. This approach can be strengthened through complementary activities, e.g. sector-specific sub-committees, workshops and other initiatives to explicitly include and inform stakeholders from the sector. A communication plan for the various phases of the project is a fundamental tool to foster this objective by managing expectations. Bringing all the relevant actors, namely unions, NGOs, the suppliers of medical equipment, the pharmaceutical industry, public and private insurers and development partners to the table at an early stage is beneficial in two ways in terms of providing additional technical expertise and practical experience for the design of measures, and decreasing resistance to their implementation.

**Anti-corruption approaches must be short, concise and realistic**
Voluminous and complex sectoral anti-corruption strategies are likely to become unmanageable, difficult to understand and prevent resources being concentrated on priority areas. Instead, a short, committed and realistic strategies followed by a separate, action plan with clear objectives and activities, will be more credible and understandable for both the sectoral institutions and the general public. In this regard when designing strategic anti-corruption health approaches, one alternative is to start with realistic goals and measures such as addressing corruption that takes place in health service delivery. The reason for this is twofold. First, the prevalence of petty corruption in the Greek health-care system has a serious impact by restricting access to care. Poor patients who cannot afford to pay a bribe receive worse, slower or no treatment at all. Second, a concentration on feasible goals can be a reasonable decision, as the “soft” approach chosen allows for addressing processes and preventing future acts of corruption, rather than investigating and sanctioning past misconduct. If adequate measures were implemented, this would be expected to lead to quick wins without the need for major political decisions or cooperation with other sectors, ministries, etc.

**The need for integration**
Anti-corruption efforts need to be systematically integrated into health sector policies and vice versa. Too often corruption risks are neglected in health sector policy work, while national and regional strategies to address corruption tend to neglect specific sectors, like health.

**Link up the anti-corruption strategy with other reforms**
In order to avoid the risk of a silo approach, it is important that a health sector anti-corruption approach is integrated horizontally and vertically to other existing whole of government and sectoral policies. It remains to be seen as to how issues of horizontal and vertical integration of the sector approach will be accomplished. Based on the review of the current policy framework and previous sector specific plans by the MoH, sector-internal (vertical) integration appears feasible. The bigger challenge may be to (horizontally) integrate the approach with national reforms and processes. Coordinating and integrating the (sector) specific activities has been identified as a major task for the combatting of corruption in Greece National Anti-corruption Plan (NACAP), and it will be interesting to observe how it is being met during implementation.

**Communication strategy**
Establish a communications strategy, ensuring that all relevant stakeholders (central government, social security funds, social partners, local authorities, NGOs and academics) are engaged and
understand the strategy objectives. Decide on the processes for doing this, for example drafting a white paper and using the Internet.

**Better management information**
Robust data management is essential, not only for efficiency, but also for reducing corruption risks, as it allows comparisons between hospitals, pharmacies, private economic operators, etc., to identify which are working well or badly and why. This includes the collection and processing of detailed and aggregate information on operational and fiscal data, in a way that central control and evaluation of any health structure will be possible. Through this system, which is already in an advanced state of preparation (called the «B.I.-Health») the following general categories are visible and subject to control:

- Monthly Budget.
- Purchase of goods and services.
- Consumptions of materials and pharmaceuticals.
- Operational expenditure and incomes.
- Reimbursements for medical and clinic care.
- Human resources management.
- Administrative structures (such as hospital units and clinics) and others.

**More robust stock management**
Stocks are kept locally, but there are no central controls or any regular review of appropriateness of usage of medicines and supplies. There is concern and suspicion that drugs may run out of date unnecessarily; that some of the more expensive drugs may be being sold outside the hospital or overseas for profit. There is no standard IT system for stock management across hospitals. This is a major concern. The long term solution is to have all medicines bar-coded and a single, nation-wide stock management system. However this is a complex task to be implemented in the short term.

**Stronger use of disciplinary procedures in hospitals**
Greece has weak disciplinary procedures for sanctioning of bad or corrupt behavior by public officials, and a legal framework that is slow and highly restrictive in the definition of corruption and bribery. Further, Disciplinary Committees within MoH are slow and hard to convene. The overall effect is that hospital leadership has very few sanctions against those suspected of corruption. There is limited room to work, as the disciplinary system relates to all public employees, not just MoH. At the wider level, MoH is fortunate that its investigatory body, SEYPP, is strong and active on corruption issues.

**Better tendering**
Tendering is done almost entirely locally by hospitals. The procedure is slow, complex and lacks flexibility, typically with 15-20 significant steps to complete, as well as full documentation on bidders. Staffs are not well trained as procurement officers, which is an issue increasing inefficiency. In addition lack of centralization means that each hospital needs to have staff and procedures to deal with procurement, which is wasteful and risky. The MoH has been taking action in this area already.
Granting of more voice and accountability to citizens
The hospitals and the health system exist to serve citizens. Everyone would agree with this – in principle – but it is not true in practice. There are no real mechanisms for citizens to make their views known and are very poorly informed about how their own cases are being progressed. This means there is no accountability from those working in the health system to the citizens. Without the voice of the citizens and without accountability, corruption is more likely to flourish. The MoH has already started to take action to improve this. The two main initiatives that are already started are Hospital waiting lists and Patient’s rights offices established in hospitals. New e-government initiatives taken by the Greek public administration could be used as means to improve communication with citizens and encourage their participation in sectoral anti-corruption initiatives. New platforms such as the Greek “Open Government Initiative” (OpenGov) could be used for electronic deliberation of the new health sectoral strategy prior to their submission for approval where citizens and civil society organizations can post their comments and suggestions.
3. Assessment of ongoing reforms in the Tax and Customs sector

Introduction

This chapter seeks to measure the progress of the former General Secretariat of Public Revenue, which was reformed and became the Independent Authority for Public Revenue (IARP) since 01.01.2017 in the implementation of the 2013 Strategic Plan for Fighting Corruption in Tax & Customs (the 2013 Strategic Plan), as well as any gaps that are currently part of that plan. The assessment of the 2013 Strategic Plan was carried out through interviews with key directorates of IARP, as well as through desk review of documents shared by the IAPR or publicly available.

A working group was formed in May 2016 to review the 2013 Strategic Plan as well as the IAPR Code of conduct. The working group completed its activities in December 2016 and the updated strategic plan (the 2016 Strategic Plan) was sent to senior management for formal approval. The members of the working group mentioned that the 2016 Strategic Plan identifies which of the actions of the 2013 Strategic Plan have been implemented, and identifies what remains to be done to complete its implementation.

The current assessment will focus solely on the 2013 Strategic plan’s content, elaboration process and implementation. The assessment will also provide recommendations for improving the design of the policy framework as well as its effective implementation. The 2013 Strategic Plan was initially developed in 2012 by the Ministry of Finance, General Secretariat for Public Revenue, which was then responsible for tax and customs policy and operations before the Independent Authority for Public Revenue was constituted in January 2017. The Strategic Plan was developed with support from the Dutch government as well as external experts from the European Community. It came into force early in 2013. However, the development of the 2013 Strategic Plan was not informed by a comprehensive risk assessment methodology and was not subject to an open and consultation process within the Ministry of Finance. In addition, there was no senior manager or unit made responsible for the implementation of the 2013 Strategic Plan, which has caused significant delays in the implementation due to lack of leadership and coordination.

Main findings

The development of the 2013 Strategic Plan mostly builds on the Road Map for technical assistance in the field of anti-corruption developed by a European Commission task force in October 2012, in collaboration with Greek competent authorities. This Road Map outlines how EU Member States could provide technical assistance to Greece in line with a February 2012 Memorandum of Understanding that acknowledges and underlines the importance of an anti-corruption program and a fully-fledged overall anti-corruption strategy. The Road Map identifies six work streams where anti-corruption efforts may be focused, namely: (1) Setting-up an overall anti-corruption strategy; (2) strengthening coordination, including via a national coordinator and / or an independent anti-corruption body; (3) strengthening prevention, awareness raising and public integrity; (4) strengthening financial investigation and prosecution of corruption, in particular in high risk sectors; (5) strengthening the exchange of information; and (6) strengthening the legal framework.
The Strategic plan also builds on a study by the Ministry of Finance’s Directorate for Tax Compliance on the effects and causes of corruption in Greece. This study provides a review of literature on the definition of various concepts closely linked with corruption, as well as on the main causes and consequences of corruption. The second part of this study quickly describes types and consequences of corruption in Greece, with a specific emphasis on the tax administration. It also provides a series of 15 recommendations for fighting corruption in the tax administration, many of which have been integrated in the Ministry of Finance’s Strategic plan for fighting corruption in tax and customs.

Similarly to the Road Map discussed above, the 2013 Strategic Plan includes four general workflows under which main targets and required actions have been established, as well as timelines for implementation and the directorates made responsible for each target (see Annex 4). The Strategic Plan’s workflows, which are drawn for the most part from the Road Map, are as follows: (1) reinforcement of the legal and institutional frameworks; (2) reinforcement of the external and internal control mechanisms (for both tax and customs); (3) reinforcement of the cooperation (external and internal) and the exchange of information; and (4) reinforcement of prevention, awareness-raising and public integrity.

IAPR officials mentioned that soon after the 2013 Strategic Plan was adopted, there was a working group that was responsible to monitor its implementation, with a representative from the General Secretariat for Public Revenue Director General’s Office. Each directorate was reporting to the working group on how far they had gone with respect to implementing the 2013 Strategic Plan. Objectives were established at the beginning of the year as indicators of success for the implementation of the strategy, although in an inconsistent manner across the organisation. Such indicators included reports on the number of asset disclosures, number of completed audits, number of unexpected visits by auditors on site, number of specific orders for the control of assets, number of investigations that were launched, the number of disciplinary or criminal offences and the amount of illegally obtained assets recovered by the State. Tax audit efficiency indicators were also developed in collaboration with regional offices of the IAPR.

The Ministry of Finance’s General Secretariat for Tax Revenue was converted into the Independent Authority for Public Revenue (IAPR) in January 2017. Such a change was part of Greece’s commitments to undertake fundamental public sector reforms, with the specific objective of strengthening the independence of the state’s revenue collection body from the political sphere. A working group was formed in May 2016 to undertake the review of the Strategic plan while preparations for the creation of the Independent Authority for Internal Revenue (IAPR) were taking place. IAPR officials reported that the new Strategic plan updates the previous one adopted in 2013, taking into account the work that has been accomplished during the last four years. Representatives from IAPR’s Strategic Planning Directorate mentioned that the update of the Strategic plan is an important priority, and that once it comes into force, a project manager will be designated to oversee its implementation.

However, the consultation process on which the update of the Strategic plan was based appears to have been limited to the directorates that were represented on the working group that was made responsible for updating such plan. Indeed, while representatives from the Directorate for Strategic
Planning, the General Directorate of E-Governance and Human Resources, and the General Directorate for Customs acknowledged being consulted on the update of the Strategic plan, representatives from the Independent Division of Planning and Monitoring, the General Directorate of Financial Services and the Directorate for Tax Compliance, which was responsible for developing the 2013 Strategic Plan, have not been comprehensively consulted.

Moreover, IAPR officials testified that no new gap analysis or risk assessment exercise was conducted to sustain the new Strategic Plan, and the update was carried out based on the methodology used in 2012 to develop the previous Strategic Plan, which mostly built on foreign good practices as opposed to a comprehensive risk management exercise tailored according to the Greek context.

There has been no permanent senior executive responsible for ensuring a comprehensive and coherent approach to risk management and providing oversight on the implementation of the 2013 Strategic Plan. The Directorate of Strategic Planning has indicated this gap is currently being discussed within IAPR’s senior management. Furthermore, representatives from this directorate have indicated that further support would be required to map all risks arising from IAPR activities, and consideration is currently being given to delegate such responsibilities to a specific directorate.

Nevertheless, the lack of comprehensive approach to corruption risk management in the Ministry of Finance and then the IAPR did not prevent some of the directorates to make progress in the implementation of the anti-corruption strategy. For example, the General Directorate of Customs has implemented a number of effective controls in line with the 2013 Strategic Plan, sometimes with the support of other European countries, in order to strengthen integrity in customs. However, these controls are mainly oriented towards the detection of goods illegally crossing the border and are not meant to specifically detect corruption or other integrity breaches. The Ministry of Finance and now the IAPR’s main approach to preventing corruption has been to implement automated systems to limit the discretion of tax and customs officials and distance them from taxpayers.

Main vulnerabilities

The General Secretariat and IAPR have made some progress with respect to the implementation of the 2013 Strategic Plan, but such progress has been inconsistent across different directorates of the IAPR. The following subsection identifies the areas under each of the four work flows where interviewed IAPR representatives have reported progress has been achieved, as well as other areas where little or no evidence of progress has been provided and therefore, where more work needs to be done in order to meet the Strategic Plan’s objectives.

- **Work flow 1: Reinforce the legal and institutional framework**
  The IAPR proceeded to some legislative and policy changes to reinforce the legal and institutional frameworks, including on the simplification of tax and customs procedures, the reform of the disciplinary sanction regime to increase its effectiveness and the strengthening of cohesion and coherence of each directorate’s duties to avoid overlaps and better achieve institutional objectives. However, it would be worthwhile for the IAPR to specifically consider anti-corruption objectives while designing and implementing institutional reforms to directly address integrity issues. Indeed,
IAPR officials reported that there are currently no concrete integrity objectives in IAPR operations plans and that little progress has been made on strengthening the whistleblower protection.

**Designing and implementing effective operations plans to reinforce coherence and cohesion within the IAPR**

The IAPR as a whole as well as each General Directorate and Directorate are required to design and implement an operations plan on an annual basis, to ensure consistency and coherence of overall IAPR operations. Such operations plans are drawn from the institutional objectives established by IAPR’s senior managers. For example, the Independent Division of Planning and Monitoring of the General Directorate of Tax Administration is responsible for writing the operation plan for the General Directorate of Tax Administration, including for sub-directorates for tax audits, tax compliance, tax services, payments, as well as the directorates of direct taxation, indirect taxation, and revenue. Under the operations plan, each directorate is made responsible for concrete actions that will contribute to fulfil the operational objectives of the General Directorate for Tax Administration as well as of the whole IAPR.

Operations plan detailing the main objectives of the institution may facilitate the implementation of institutional reforms. For example, the General Directorate for Customs’ operations plan has provided guidance for the modernisation of its internal structure to further enhance productivity and accountability. It now includes five directorates including the Directorate of Strategic Customs Controls and Infringements, the Directorate of Electronic Customs and the Directorate of Customs Procedures, which have the specific responsibility to include specific controls for the fulfilment of IAPR’s overall objectives. For example, the General Directorate’s operational plan includes specific measures for proper enforcement of excise and duties rules on cigarettes, alcohol and fuel, as well rules on the smuggling illicit and potentially dangerous goods, such as weapons and explosives.

The operations plan also include specific actions to tackle tax evasion and smuggling, promote the reporting of real taxable income and to achieve the other general objectives of the IAPR in relation with the promotion of the national economy. However, while operations plan may have an indirect impact on tackling corruption by increasing transparency through the reinforcement of internal systems and implementing automated systems and procedures, they do not include specific targets to strengthen integrity and fight corruption within the IAPR. IAPR representatives were not aware of any operations plan within the institution that would include specific targets concerning the overall reinforcement of an institutional culture of integrity. This includes the E-Governance and Human Resources General Directorate, which never included any actions on reinforcing integrity and anti-corruption in their part of the operations plan to date.

**Simplification of procedure**

The simplification of tax and customs law and procedures is an important component under work flow 1 on the reinforcement of the legal and institutional framework. The 2013 Strategic Plan suggests that several laws may be simplified in order to more effectively tackle corruption in tax and customs, including the Code of Revenue Taxation, the Code of Value Added Tax (VAT), the legislation on tax returns, customs-related laws and procedures, legislation on disciplinary actions for IAPR employees, access to information law, and whistleblower protection law. The legislation on disciplinary actions for IAPR employees will be further discussed below in a separate subsection.
IAPR officials from the Independent Division of Planning and Monitoring from the General Directorate of Tax Administration and from the General Directorate of Customs reported being working on the simplification of internal procedures, manuals and guidelines and making them more easily accessible for taxpayers and users. Most of these changes result from reports from the decentralised tax and custom units of IARP that highlight gaps, inefficiencies and loopholes in such procedures. However, IAPR representatives did not provide specific examples of laws mentioned in the Strategic Plan that were recently modified, except for the legislation on disciplinary action on IAPR employees. Indeed, approximately half of IAPR’s representatives interviewed were not even aware of the Strategic Plan itself.

Representatives from the General Directorate for Customs mentioned that its priorities evolved a lot since the 2013 Strategic Plan was developed and provided a number of examples of customs policies that were recently simplified for greater effectiveness. For example, the ICIS Net system for the implementation of electronic customs services is now fully operative and in fact, it has been a precondition for further simplifying customs procedures. IAPR representatives have reported that customs procedures are now fully computerised and allow for the submission of all relevant documentation by traders. 95% of exported goods are now processed through declarations of traders submitted electronically. The system also allows for the attachment of supporting documents, such as invoices.

Other changes seeking to simplify customs procedures arise from the Regulation No. 952/2013 of the European Parliament and the Council laying down the Union Customs Code. This Regulation requires countries to grant the “authorised economic operator” (AEO) status whereby exporters and importers will be eligible to accelerated customs procedures if they meet specific requirements identified by the Regulation. So far, Greek customs have issued 35 licences, and they are seeking to increase this number through increased engagement with private firms. The AEO system has allowed reducing the delays arising from customs procedures while providing for an automated real-time risk assessment analysis which may be based on the identity of the firm, the source and destination of the goods as well as their nature.

Revisions of sanctions
As mentioned above, the Strategic Plan’s work flow 1 also focused on the establishment of transparent procedures for IAPR employees disciplinary actions. While a proposal to amend the disciplinary sanctions framework has been finalised, it is still pending approval by IAPR’s Board. The General Directorate for E-Governance and Human Resources is responsible for receiving complaints about IAPR employees’ behaviour which can constitute breaches to IAPR’s internal rules and policies. The General Directorate is responsible for examining complaints, undertake disciplinary proceedings and imposing sanctions if necessary. The Public Prosecutor is involved when the misconduct involves serious cases, such as criminal offences. Such offences need to be processed before courts, which involves significant delays before a final decision is made.

The General Directorate for E-Governance and Human Resources also conducts training on the new disciplinary framework within the IAPR. However, the Directorate does not appear to provide training on the interpretation of the code of conduct, including references to real-life case studies to facilitate its implementation, which is an essential part of any integrity training.
These additional responsibilities, including the provision of training on the new disciplinary framework within the IAPR to ensure there is no gap in the transition to the new framework, added to their other human resources responsibilities. While this has stretched to some extent the overall capacity of the General Directorate for E-Governance and Human Resources in terms of workload, they are satisfied by the overall quality and effectiveness of education and outreach services provided. However, this opinion is based on informal feedback received as they not use any performance indicators on service delivery.

Finally, the General Directorate for E-Governance and Human Resources will also be responsible for performance assessment of public servants once these are developed and implemented. However, there is currently no intention to include integrity matters in such assessments, including whether any cases of misconduct exist against public servants.

**Whistleblower protection legal framework**

Important steps have been taken by the government in 2014 to grant better protection for whistleblowers with the passing of the Law 4254/2014 to encourage individuals with knowledge about specific corruption crimes to report relevant information to the authorities. However, this Law on its own is insufficient, and much remains to be done to effectively protect whistleblowers in Greece, develop a climate of acceptance and openness towards whistleblowers, as well as public trust that relevant authorities will take disclosures seriously and effectively protect those who take the risk to disclose.

Nevertheless, the scope of Law 4254/2014 is too narrow. It only applies to a short list of specific crimes and fails to protect many potential whistleblowers who would report useful information that would not formally qualify as evidence for criminal prosecution (for more details see the OECD report on whistleblower protection under deliverable 5.1 of the Greece-OECD Project: Technical Support on Anti-Corruption in Greece). Moreover, many stakeholders interviewed for this report have described a culture of impunity in the Greek public service, as well as a generalised lack of accountability, which might explain why interviewed stakeholders unanimously stated they would not trust internal reporting channels within the public service if they were potential whistleblowers.

- **Work flow 2: Reinforcement of the external and internal control mechanisms**

Some meaningful progress has been achieved under Work Flow 2 on the reinforcement of the external and internal control mechanisms on tax and customs. For example, the tax audit service was reinforced with the use of efficiency indicators that allow to better target preventive audits. Increased collaboration with other national and international institutions have allowed for a better cross-checking of IAPR’s data and for the development of effective controls in high-risk areas of tax and customs.

However, there are still no systematic and ongoing risk assessments underlying the design and implementation of internal controls in the area of tax and customs. Training and capacity building could be expanded to meet the managers’ growing need for highly qualified human resources and for growing awareness about integrity and anti-corruption within IAPR. Anti-corruption case studies have not yet been implemented in way that would contribute to teach IAPR staff how to react to
difficult and sensitive situations. The sanctions procedures have not yet been fully modernised and in-depth external controls on the IAPR activities are currently lacking. Finally, IAPR’s control activities currently focus on whether taxpayers and customs service users comply with their obligations, rather than on detecting internal misconduct, including fraud and corruption.

**Risk management and internal control**

All IAPR officials maintained there were no risk assessment methodology underlying the 2013 Strategic Plan, which was developed with the technical support from the Dutch government mainly inspired from the Dutch framework to reinforce integrity in tax and customs. Despite the lack of comprehensive approach to risk management throughout the IAPR, the General Directorate of Customs has achieved significant progress in terms of developing risk management and internal control systems since 2013. Representatives from this General Directorate have reported undertaking in-depth risk mapping activities focusing on smuggling and the control of restricted goods, and that these inform the development and implementation of internal controls in customs on an ongoing basis. For example, they collect data on the seizure of goods in each customs unit, which allows them to define emerging or shifting trends in illegal activity. The General Directorate for Customs is also exchanging information with key partners and neighbouring countries through local countries network, such as SELEC for Balkan countries. The General Directorate for Customs’ risk management and exchange of information activities, which were part of work flows 2 and 3 of the Strategic Plan, has reinforced the agency’s risk management and internal control framework. Such measures could contribute to identify corruption and integrity breaches within the IAPR.

The Directorate of Tax Compliance also exercises some controls about whether taxpayers have filed their tax declaration as required. The Directorate receives an automated report every month about the individuals who did not file their tax declaration, and reaches out to these taxpayers to remind them to their obligations and offer assistance as required. This automated system also randomly selects who will be audited by IAPR auditors. Representatives from the Directorate of Tax Compliance have mentioned cross-checking tax declarations with data belonging to other public institutions, such as social security contributions and social insurance. Tax declarations are also cross-checked against information from the Ministry of Tourism for owners of hotels, restaurants and similar services. But then again, these controls seek to detect tax fraud and not lack of integrity within the IAPR.

Finally, the cash payments involve an obviously high risk of fraud, the IAPR has limited their amount to 300€, and payments by personal check to 1000€. However, IAPR have reported difficulties in exercising scrutiny on the payment of fines at border services, which must be paid immediately and often involve international drivers. IAPR representatives provided it was difficult to ensure such payments were duly incorporated in the tracking system and that there is a high risk of fraud and corruption arising from these transactions. Therefore, the main internal control mechanism for integrity breaches and corruption within the IAPR is the reporting of misconduct by whistleblowers.

**Internal Audit**

Work flow 2 of the 2013 Strategic Plan provided for the creation and reinforcement of an internal audit service within the IAPR. While the Directorate of Internal Audit has been established, it is not possible to assess to what extent this Directorate has gone in terms of implementing the actions
required by the 2013 Strategic Plan as this Directorate could not make itself available to meet the OECD team and has not complied with requests to provide answers in writing. Nevertheless, the creation of a directorate that is clearly distinct from the design and implementation of internal controls is aligned with internationally-recognised good practices. It would have been interesting to assess how far the IAPR has been in terms of prioritising sectors for internal audit, providing training and guidance on internal control functions and effective procedures, awareness-raising and expansion of an audit culture, and increasing the use of new technologies to facilitate audits. Therefore, further assessment may be conducted on the comprehensiveness and effectiveness of the Directorate for Internal Audit’s main target under the 2013 Strategic Plan.

- **Work flow 3: Reinforcement of internal and external cooperation and the exchange of information**

Workflow 3 on the reinforcement of internal and external cooperation and exchange of information provides for an increased cooperation between IAPR Internal Affairs, other relevant agencies and private sector firms through the establishment of a National Anti-Corruption Coordination Committee, enhances the exchange and cross-checking of information among public institutions and third parties, as well as the reinforcement and development of IT data within tax and customs. IAPR officials have reported unequal progress with respect to these targets, and most of this progress was related to increased collaboration with enforcement authorities outside IAPR and the cross-checking of some of the data included in the declarations of assets. Based on the annual report, IAPR Internal Affairs representatives also participate in the National Anti-Corruption Coordination Committee and the Coordination Body for Inspection and Control. However, IAPR officials generally maintained that internal cooperation could be further improved, including through clearer protocols for a more systematic sharing of information.

IAPR’s Internal Affairs Directorate had a central role to play under the 2013 Strategic Plan, but its 2016 Annual Report outlines limited progress regarding the activities that could be carried out under the Plan. The Internal Affairs annual report provides that the data gathered through IAPR officials’ asset declarations is cross-checked against the data held by financial and credit institutions to detect any potential omissions or inaccuracies. This cross-checking of data is done through a fully automated System of Registers of Bank Accounts and Payment Accounts. Moreover, the Internal Affairs’ annual report references previous partnerships to fight corruption and tax evasion with other law enforcement bodies, including the Office of the Commissioner General to the Court of Auditors, the Hellenic Police Internal Affairs Department, Public Prosecutors, the General Inspector of Public Administration, the General Secretariat for Information Systems, as well as internal IAPR directorates. The IAPR Internal Affairs Directorate also participates in joint inspection teams consisting of financial auditors, Internal Affairs of Hellenic Police, Internal Affairs of the Coast Guard, and the Division of Financial Police. These consists of unannounced visits and checks on the customs authorities with a view to fighting corruption more effectively and to safeguard the interests of the Greek government.

However, such partnerships appear to be formed on an ad hoc basis and do not appear to be planned according to a systematic approach. Moreover, such partnerships overwhelmingly focus on law enforcement aspects as opposed to broader governance effectiveness, transparency and internal accountability issues. For example, the Tax Compliance Directorate has shared data from
selected indicators with the Directorate of Planning and Evaluating Controls and Investigations to further enhance the effectiveness of their audits. But IAPR’s E-Governance and Human Resources General Directorate, which plays a key role in building and strengthening integrity within the IAPR, has reported that increased collaboration with the Internal Affairs Directorate was not part of its most recent operations plan. The Internal Affairs Directorate and the General Directorate of E-Governance and Human Resources would benefit from increased cooperation and sharing of information, as this has the potential to enhance integrity risk assessment and mitigation measures as well as IAPR officials’ performance assessment.

Another example of lack of information sharing within the IAPR is the lack of awareness of each directorate about what the other directorates are doing to implement the Strategic Plan. There has not been any designated IAPR directorate that is responsible for coordinating the implementation of the Strategic Plan, and all interviewed IAPR directorates have testified not sharing information with other directorates on what measures they have taken to implemented the Strategic Plan. Annual reports of each directorate, which could report to some extent about the measures taken to implement the Strategic Plan, do not appear to be communicated to the other IAPR directorates.

Moreover, many directorates were also not in the position to explain the main directions of the next 2016 Strategic Plan. Consultations within IAPR have been limited to members of the working group, and there hasn’t been any communication within the IAPR about the outcomes of such consultations. Such a lack of transparency about the implementation of the 2013 Strategic Plan and about the development of the 2016 Strategic Plan may seriously limit IAPR officials’ ownership of the proposed measures. It may also affect their intrinsic motivations to implement the plan and generally abide by strong institutional integrity principles. Several IAPR officials have advocated for clearer and more systematic information sharing protocols to create synergies enhancing the overall effectiveness of their operations as well as their ability to detect fraud and corruption within the IAPR and strengthen their institutional culture of integrity and performance.

- **Work flow 4: Reinforcement of prevention, awareness-raising and public integrity**

Workflow 4 on the reinforcement of prevention, awareness-raising and public integrity provides for a large range of targets that may be summarised as follows:

1. reducing bureaucracy;
2. increasing transparency and accountability in the workplace;
3. providing greater clarity and transparency on the application of tax and customs rules for users;
4. providing incentives for anti-corruption solutions;
5. developing a new IAPR code of ethics;
6. implementing a number of streamlined managerial policies that would allow the IAPR to better respond to changing needs and carry out their operations more effectively.

While the IAPR mentioned having achieved some progress in terms of harnessing new technologies to reinforce transparency, accountability and good management practices, few concrete examples were provided, except for the General Directorate of Customs. The system for the management of disclosures of misconduct is still at the pilot stage, and the updated Code of Conduct was not yet
finalised at the time of the interviews. As it is attached to the 2016 Strategic Plan which is still pending approval by IAPR’s Board, it was not possible to review its content as well as how it will be implemented.

Workflow 4 also included an action item in relation with introducing in school curricula subjects related to integrity in order to raise awareness among students concerning the negative effects of corruption. While this is certainly a laudable objective, it may be more relevant to include this action under the responsibility of the bodies responsible for coordinating anti-corruption at the national level rather than in each of the specific areas where anti-corruption action may be necessary.

Finally, while the improvement of IAPR’s management practices have the potential to effectively foster institutional integrity to some extent, the IAPR would greatly benefit from further strengthening its management practices, particularly those that could be used to encourage and reward integrity and ethical behaviour in the workplace.

**Using automated systems and new technologies to reinforce governance, transparency and accountability**

The use of new information technologies constitutes one of the backbones of IAPR’s strategy to prevent integrity breaches within the organisation. Most of customer services are now carried out through automated systems that seek to distance taxpayers or customs users from IAPR officials. The IAPR makes communication channels available for tax and customs service users that seek to prevent them from having direct contacts with IAPR officials. For example, the IAPR publishes “frequently asked questions” for IAPR services users to provide general information more effectively. The IAPR is also in the midst of compiling procedures that require direct contact with IAPR service users, which could help inform a potential risk mapping exercise. IAPR officials mentioned that additional electronic procedures will be implemented to further reduce direct contacts with tax and customs officials.

In addition, the General Directorate of Customs now allows for the electronic submission of supporting documents for both imports and exports, such as invoices. Greek customs have also limited payments by personal check to €1,000 and by cash to €300; any payment made above this threshold must be made electronically by customs services users. Only a very small proportion of payments are eligible to these exceptions, generally couriers and delivery services. The General Directorate of Tax Administration has also implemented an electronic tax filing system, whereby taxpayers are identified by a specific tracking number. Such systems help reducing errors as well as tax fraud. Tax payments may be made electronically directly from bank accounts, which reduce discretion and potential manipulation from tax officials.

Likewise, the IAPR has started granting “authorised economic operator” (AEO) licences whereby exporters and importers will be eligible to accelerated customs procedures and subject to less contact with customs officials if they meet specific governance requirements identified by Regulation. In addition to reducing delays for the transition of goods through Greek borders, this system provides for an automated real-time risk assessment analysis which may be based on the identity of the firm, the source and destination of the goods as well as their nature. The AEO system is combined with an additional ELYT system that allows facilitating audits after goods have received clearance from customs. However, some resistance to change exist as many customs officials do not
feel comfortable relying on such automated systems. The limited number of AEO licences (e.g. 35) that have been granted so far results from a lack of interest by Greek enterprises. There appears to be a genuine interest within the IAPR to further engage Greek private firms about the potential benefits that would arise from obtaining AEO status. Specific training carried out in customs units has recently contributed to increase support from customs officials for the AEO system.

The European Community as well as individual European countries, such as Germany, have supported Greek customs to strengthen customs control at their borders, particularly in higher risk areas or concerning potentially harmful products. For example, the EU has helped Greece to implement a new system that identifies vehicle plates in real-time in five customs units at the border of the EU. The EU has equipped customs units on the border of Turkey with detectors of nuclear devices and firearms, but the IAPR is still responsible for paying their operation and maintenance. Tobacco companies provide Greek customs with x-rays devices to enhance detection of smuggling of cigarettes, and Germany has provided dogs (including funds for training and maintenance) that are specifically trained to enhance detection of smuggling of illicit goods. There are also mobile units active 7 days a week, 24 hours per day, who exercise additional controls on the movement of goods on national roads as well as on the sea.

Finally, IAPR officials have reported that operation plans of IAPR directorates often provide for electronic exchanges within the IAPR, which can be an effective means to discourage engaging into corrupt behaviour by increasing transparency and allowing for a precise recording of specific transactions and decision-making processes within the IAPR. Unfortunately, it was not possible to interview the IAPR Directorate that was specifically responsible for designing and implementing such electronic systems and related technologies.

Implementing communication channels to raise issues and report misconduct
The IAPR has not yet fulfilled its commitment towards the adoption of specific measures to encourage the reporting of corruption and integrity breaches involving IAPR officials. At the time of the interviews in February 2017, there was an ongoing pilot project for the implementation of communication channels for the reporting of misconduct within IAPR. This pilot project allows for both internal and external complaints about the integrity of IAPR officials. The IAPR website provides for the protection of the identity of complainants, who do not necessarily need to leave their name. There are specific procedures, including encryption of names, to protect the identity of complainants. IAPR internal affairs have provided that only about 3% of complaints are substantiated. The full system is expected to be operating during the year of 2017.

Asset declarations and updated code of conduct
IAPR Internal Affairs Directorate mentioned that the main mechanism to fight corruption within their institution are asset declarations made by IAPR officials, for which the process has been strengthened recently as provided by the Strategic Plan. According to the methodology of the Control Procedure on the assets of the IAPR employees passed in December 2016, officials must declare the extent of their wealth, including taxable or non-taxable revenue, changes in movable or immovable property of any kind; such as land, houses, cars, boats, aircrafts, bank deposits, or any form of financial product (e.g. bonds, stocks, shares, investment funds, etc.); including those under the control of the spouse and dependents. The Directorate of Internal Affairs can launch audits of
IAPR staff based on a random basis to verify the accuracy of declarations or if they have reasons to believe the amount of declared assets are not justified by IAPR officials’ revenues. Officials may be requested to provide appropriate documentation to justify the source of specific assets or funds, and financial institutions may also be required to provide documents or information to IAPR auditors. The Directorate of Internal Affairs’ annual report keeps track of the number of control of assets audits that are conducted each year, which amounted to 112 for the year 2016.

In addition, the review of IAPR’s new code of conduct was completed in 2016. It is attached to the new Strategic Plan, which is still pending approval by the IAPR Board and as a result, it could not be reviewed by the OECD team.

**Implementing better managerial practices**

IAPR representatives mentioned that good management practices have started to be implemented to enhance performance within the IAPR, but few examples were provided to the OECD team to help determine to what extent. Overall, the IAPR would benefit from strengthening its management practices to reinforce its effectiveness. Unfortunately, strengthening integrity does not appear to be the core motivation for reforming management practices at the moment.

An organigram has been completed to map the services and operations of the IAPR, which is intended to help identify any overlaps in such services or operations. However, interviewed stakeholders did not provide examples or any further analysis on how human resources have been better allocated. There is also closer collaboration between IAPR headquarters and regional branches, which was achieved through enhanced training and communications. The IAPR and regional branches undertook to coordinate to effectively follow-up on the results of audits that have been finalised, when circumstances warrant. Such collaboration led to the development of audit efficiency indicators that are classified by sector and geographical areas. As these indicators may be indicative of potential fraud and corruption, they are used to better target preventive audits by relevant directorates.

An additional positive development is the recent establishment of a new department responsible for informing citizens about their rights and obligations in relation with tax and customs duties. This department will undertake significant outreach efforts to effectively communicate with the public. Communications efforts will be accomplished through workshops, general education and outreach activities and specific training.

However, one of the major weaknesses relates to the lack of evaluation of IAPR officials, as well as of constructive feedback on employee performance with a view to enhance career development within the IAPR. Adequate evaluation processes and constructive performance feedback will not only seek to ensure IAPR employees perform their duties according to the standards that have been set by the institution, it will also strengthen employees sense of belonging to the organisation and their willingness to progress professionally within that organisation. Rewarding those who meet and even exceed performance and integrity standards will strengthen organisational morale and more likely attract individuals who are committed to provide quality public services.
Recommendations

This subsection provides recommendations to support the IAPR adjusting the scope of the 2013 Strategic Plan and enhancing the implementation of the 2013 Strategic Plan.

**Increasing leadership and coordination in implementing the Strategic Plan for Fighting Corruption in Tax and Customs**

It was reported by IAPR representatives that the implementation of the 2013 Strategic Plan lost momentum when its supervision was supposed to be transferred to the Directorate of Strategic Planning following institutional reforms and changes to the legal framework. However, such transfer of responsibilities did not take place in practice and no one exercised any coordination and supervision of the 2013 Strategic Plan. Many IAPR Directorates were not even aware of the Strategic Plan’s existence or consider they had no responsibility for its implementation. IAPR Directorates were not made aware of specific actions taken by other Directorates. Such a lack of coordination and leadership towards the implementation of the Strategic Plan, combined with a general lack of awareness-raising and training activities, constitute some of the main reasons why limited and unequal progress has been achieved in implementing the 2013 Strategic Plan within the IAPR.

It has been mentioned that the Directorate of Strategic Planning has been made responsible for leading and coordinating the implementation of the 2016 Strategic Plan. If it has not yet been specified in the 2016 Strategic Plan, the Directorate for Strategic Planning could be made expressly responsible for organising quarterly meetings where directorates would provide updates and raise emerging issues concerning the implementation of the 2016 Strategic Plan. Such coordination meetings would allow for a comprehensive approach for strengthening integrity within the IAPR, enhance synergies among Directorates for the implementation of the plan and raise awareness within the IAPR about the implementation status of the plan.

Moreover, to ensure the 2016 Strategic Plan translates into specific actions, the Directorate for Strategic Planning could be made responsible to review the operations plan of relevant Directorates to ensure appropriate, concrete and measurable anti-corruption and integrity actions for the implementation of the 2013 Strategic Plan have been included in operations plans.

**Implementing a comprehensive and systemic risk management and internal control framework for all IAPR operations**

The 2013 Strategic Plan has not been developed based on a comprehensive risk assessment exercise that is tailored to the context of the Ministry of Finance’s or IAPR’s operations. While the technical support provided by the Dutch government to adapt the Dutch strategy to the Greek context might have helped to identify and mitigate common risks inherent to tax and customs, a comprehensive risk assessment exercise needs to be done to ensure the Strategic Plan takes into account specific issues, such as institutional specificities, organisational cultures, as well specific threats inherent from the geographical area or the presence of organised crime. The 2016 Strategic Plan also lacks such a comprehensive risk assessment exercise it has been qualified only as “an update” of the 2013 Strategic Plan.
Without a proper ongoing risk assessment methodology that fully takes into account the specificities of the Greek contexts, internal controls will likely be incomplete. Indeed, internal controls to detect integrity breaches appear to be currently limited to asset declarations, reporting of misconduct and preventive audits. Representatives from the Directorate for Strategic Planning reported having asked for the creation of a specific unit that would be responsible for setting up and implementing a risk management strategy. The IAPR could consider getting the technical resources necessary for conducting a comprehensive risk mapping for IAPR operations (including fraud and corruption risks), assessing the effectiveness of controls already in place and identifying targeted risk mitigation measures to complement existing controls on an ongoing basis.

One important control that was brought forward during many of the interviews with IAPR representatives is the ability for IAPR to cross-check the information in its own data with the information held by other national or foreign institutions. Interviewed stakeholders suggested there should be a greater number of clearer information sharing protocols in place to cross-check information with other institutions and detect potential fraud or corruption. The IAPR could consider exploring whether additional institutions in Greece would hold valuable information that could be cross-checked against the information held by the IAPR and if so, explore the possibility to conclude memoranda of understanding on the sharing of such information. Specific training could also be considered about how to manage and implement information sharing protocols, particularly in light of recent legal amendments to the Code of Tax Procedure allowing for electronic procedures to exchange personal information.

Finally, the use of appropriate indicators may yield valuable information that would help identify integrity risks and adequate internal controls within the IAPR. For example, the IAPR has recently developed audit efficiency indicators by sector and geographical areas. As these indicators may be indicative of potential fraud and corruption, they are used to better target preventive audits by relevant directorates. The IAPR may consider additional indicators of fraud and corruption that would help them identify and target integrity risks arising from IAPR’s activities.

Establish a formalised process for design and implementation of legislative changes for strengthening IAPR’s autonomy that respects its independence from the government

According to interviewed officials, the new independent agency status of the IAPR has complicated the procedures to proceed with changes to IAPR’s legislative authority. These complexities have the potential to delay the adoption of measures that seek to address potential gaps and inefficiencies in IAPR’s legislative authority. For example, Greek law for public officials specifically provides specific criteria upon which appointments in the public service must be made and since these do not specifically include integrity, integrity matters cannot be taken into account in recruitment decisions. Moreover, although this may change with upcoming legal amendments, employees who are prosecuted for criminal offences cannot be suspended until they are found guilty. The legalistic culture characterising the Greek public service combined with the rigidity of IAPR’s legislative authority may lead to irrational situations that can seriously impede on the ability of IAPR to establish a sound culture of integrity within the organisation.

While an appropriate legislative authority is necessary to legitimise organisational standards in public organisations, not all these standards need to be expressly mentioned into legislation. Going
back to the example of the appointment procedure in the Greek public service, the general authority to adopt appointment standards could be included in legislation while specific appointment criteria could be included into internal policy endorsed by IAPR’s highest authority. This would leave more flexibility for the IAPR to respond more quickly to emerging issues and effectively adapt to its ever-changing environment. Therefore, the IAPR may consider revising which of its standards may be more appropriately included in policy rather than legislation to facilitate updates and strengthening of the internal procedures.

Instilling a culture shift towards integrity and performance to address resistance to change within IAPR

The 2013 Strategic Plan overly focuses on increasing the efficiency of procedures and controls, and imposing criminal sanctions on officials who were successfully prosecuted through judicial proceedings. However, there appear to be no efforts to trigger a culture change within the IAPR that would build on individual intrinsic values to promote the public interest and provide good public services to Greek citizens. Indeed, several public servants within and outside the IAPR have reported that the Greek civil service suffers from a weak institutional culture when it comes to performance and integrity standards. There is little leadership from top civil servants seeking to establish strong organisational values based on integrity and performance, and raising employee awareness that those who perform better and demonstrate high integrity will be rewarded for endorsing such behaviour. Greek public servants are currently not subject to any evaluation on how they perform their duties, and even less so as to whether they perform their duties with integrity. There are no mechanisms to assess and measure the ethical health of the organisation.

Representatives from the General Directorate on E-Governance and Human Resources mentioned that some employees are reluctant to endorse strengthened transparency, accountability and control measures, and fear this might expose them to external threats. Such perceptions and reluctance to change make the culture change that is required for an effective implementation of integrity measures all the more challenging within the IAPR.

Moreover, the complexities associated with the procedures to impose sanctions may also contribute to perpetuating a culture of impunity and unaccountability within the IAPR, as well as sustaining such perceptions in the general public. Burdensome procedures discourage the launching of disciplinary sanctions when doing so would be appropriate, which feeds on a culture of impunity and unaccountability. Flexibility in disciplinary procedures is required to ensure, as much as possible, that no civil servants are suspended without legitimate reasons to believe misconduct has been committed, while allowing preserving the public interest before judicial procedures come to an end. Therefore, the IAPR could consider establishing specific guidance for relevant authorities, or request the legislative branch to do so, as to the level of evidence required to suspend an employee before the conclusion of judicial proceedings.

IAPR officials could provide very few examples, beyond the update of the 2013 Strategic Plan and of the IAPR Code of conduct, of leadership and commitment from IAPR’s top management towards the implementation of a culture of integrity and accountability in the IAPR. Good examples of awareness-raising activities and effective communications channels were provided by the Directorate of Tax Compliance, but these targeted taxpayers and users of customs services rather
than IAPR’s employees. In order to effectively implement such a culture within the IAPR, top management must lead by example and effectively communicate the organisation’s vision and strategy with respect to fostering integrity and accountability in the workplace. The IAPR could consider designing and implementing a specific strategy about how it plans on implementing a culture of integrity, accountability and performance in the workplace. Moreover, the IAPR could design a communication strategy about how it will demonstrate its leadership and commitment towards the implementation of a culture of integrity. The legislative branch could also require the IAPR to report on its actions that are intended to have an impact on successfully establishing a culture of integrity, accountability and performance within the IAPR.

As discussed above, there is no specific party responsible for coordinating and monitoring the implementation of the 2013 Strategic Plan. Likewise, there appears to be no specific unit responsible for communicating and raising awareness about IAPR’s top management commitment to implement a culture of openness, integrity and performance in the workplace. This includes encouraging IAPR employees to raise any ethical concern or difficult situations they experience in the workplace, and assure that any concern raised will be dealt with transparently, effectively and fairly. The IAPR could consider empowering a specific unit to coordinate and monitor efforts to implement a culture of integrity, accountability and performance within the IAPR, act as a resource for IAPR employees who face ethical concerns in the workplace, and communicate top management’s commitment and actions towards achieving a sustainable culture shift within the IAPR. This unit could also be responsible for measuring, though appropriate indicators, the ethical health of the organisation on an ongoing basis.

An additional major impediment that stands in the way of an effective implementation of a culture of integrity is the apparent lack of collaboration from some of IAPR’s directorates. Representatives from some of the directorates invited to the fact-finding interviews for the current assessment did not come to the interview, or argued they did not have the authority to provide information. Other directorates declined to come to the interviews and committed to provide responses to questions in writing, but they did not deliver on their commitment so far. Some directorates were reluctant to share information that was available in Greek online, and some of the documents which officials committed to share during the interviews were never communicated to the OECD team.

Substantial taxpayer funds were invested in technical assistance to strengthen public governance in Greece, and taxpayers deserve that their public service makes the most of these funds by allowing national or international experts to access information that will make their assessment more accurate and relevant for the Greek government as well as for all Greek citizens. Other Greek institutions have also reported having problems collaborating with the IAPR. While it is understandable that the IAPR remains mindful about preserving its independence from the government, such considerations should not stand in the way of effective collaboration when there is no reasonable risk of interference in IAPR’s affairs. Lack of transparency and collaboration within public institutions do not send the right message and motivations to employees concerning performance objectives and integrity behaviours. The IAPR should consider revising its approach concerning the collaboration with other Greek institutions and international organisations to maximise the benefits arising from international technical assistance for Greek taxpayers and citizens in general.
Another effective mechanism to enhance a culture of integrity in the public service is to conduct an assessment of each employee’s performance, and provide constructive feedback to employees for the purpose of enhancing their career development. Including integrity considerations into public servants’ performance assessments may constitute a major incentive to abide by rules and policies applicable to the public service, and send a clear signal to employees that abiding by integrity standards is a clear priority of the organisation’s top management. IAPR employees do not yet get feedback on their performance, but the General Directorate on E-Governance and Human Resources is currently developing a systematic mechanism of performance evaluation that will be consistent with the rest of the public sector. Such assessment mechanism will include quantitative indicators that are specifically developed for each position at the IAPR, as well as qualitative indicators that will be consistent with the rest of the public service.

However, whether employees behave with integrity will unfortunately not be part of the performance assessments. At the moment, the process for appointing public officials does not include integrity criteria and therefore, the personal integrity of candidates competing to become public servants must be taken into account in an official way. IAPR representatives have held the view that integrity should only be taken into account at the time of recruitment. However, quite the opposite, good human resources and internal control practices require that public officials’ integrity be monitored and evaluated on an ongoing basis, as employees’ behaviour are an integral part of an organisation’s risk environment. As such, the IAPR could consider requesting the Legislative Branch to change the criteria upon which public servants are appointed in order to include specific integrity considerations. Likewise, the IAPR could consider including integrity criteria in the systematic performance review process that is currently being implemented, to ensure employee integrity is monitored and assessed on an ongoing basis.

**Recruiting effective technical resources and conducting effective training to foster effective implementation of the strategic plan**

The lack of technical resources has been raised by a number of interviewees as a major challenge for the implementation of effective integrity policies and controls within the IAPR. However, while the provision of integrity training is essential for the effective implementation of an integrity strategy, the 2013 Strategic Plan mainly focuses on two specific trainings. First, workflow 2 includes special training and seminars provided by the Directorate of Internal Audit to high rank officials of the IAPR for the prevention and identification of corruption. Second, the Directorate of Internal Affairs is required to provide training on the updated code of ethics. The Directorate of Internal Affairs has also mentioned that specific trainings were provided for investigators as well as on how to comply with asset declaration requirements.

As discussed in the previous subsection, promoting the implementation of an institutional culture based on integrity, accountability and performance may significantly contribute to attract skilled technical experts who would be motivated to be part of a challenging work environment driven by performance.

General training on anti-corruption and integrity issues as well as tailored training on more specific issues are prerequisites to the implementation of any anti-corruption strategies. In addition to
training on the code of conduct, asset declarations, investigations and on how to generally prevent and detect corruption, additional training could also be considered by the IAPR, including on (1) conducting corruption risk assessments; (2) designing appropriate internal controls to detect corruption; (3) reporting of misconduct in the workplace; (4) building a culture of integrity and performance and how to address related obstacles to its implementation; (5) ongoing awareness-raising about various IAPR integrity policies; and (6) using new technologies to reinforce audits and compliance within the IAPR. While the full list of integrity and anti-corruption trainings was not communicated to the OECD team, the IAPR could consider assessing whether its training curricula could be expanded and cover additional areas that would enhance the implementation of its strategic plan.

Additionally, as it may be challenging to ask for more resources in a resource-scarce environment, the IAPR could try to provide evidence that an investment of public funds in reinforcing the capacities of the IAPR can yield interesting returns on such an investment. As such, the IAPR may explore developing specific indicators that would seek to link any increase in the collection of public revenues with the recruitment of additional strategic technical resources, in order to justify the allocation of sufficient resources to the IAPR.

**Implement effective and transparent mechanisms to follow on disclosures of misconduct within the IAPR**

Work stream 4 provided a specific target about encouraging the reporting of corruption at IAPR. As discussed above, a pilot of IAPR’s programme for enhancing the reporting of corruption has been implemented in 2017, but the full programme is not yet into force. The Directorate of Internal Affairs reports there were incentives included in the new code of ethics that is attached to the 2016 Strategic Plan, but as discussed above, the OECD team did not get an opportunity to review the 2016 Strategic Plan and the updated code of ethics. Presumably, the code includes provisions that ask IAPR employees to report misconduct, but it does not include specific incentives such as the possibility to grant honorific rewards or positive performance review assessments for those who do report corruption. As a result, no recommendation may be issued on the content and implementation of IAPR’s pilot programme for the reporting of misconduct.

In addition, the 2013 Strategic Plan sought to encourage the reporting of corruption, which appears to cover only information related to the commission of a corruption offence as defined by the Greek Penal Code and Penal Procedural Code, i.e. a limited number of bribery-related criminal offences. The programme could encourage the reporting of a much broader range of misconduct, including any breach of Greek laws or of the Code of Conduct by IAPR Staff. The IAPR could ensure that information about any breach of Greek laws or of the IAPR code of conduct could be reported under its whistleblower programme.

In addition, the Directorate of Internal Affairs reported not being informed about the status of cases after they submit their investigation report to the public prosecutor. The Directorate of Internal Affairs further argued that it should not be part of their duties to follow-up on the outcomes of their investigations, and that it was not part of their mandate to assess the effectiveness of whistleblower reporting channels. However, good practices suggest the Directorate of Internal Affairs, as the primary recipient of whistleblower allegations in IAPR, could play an important role with respect to
communicating the outcomes of its investigation to the whistleblower. Moreover, if the whistleblower programme is expanded to cover any breach of Greek laws and of the code of conduct as suggested above, the Directorate of Internal Affairs could also be well-positioned to ensure the whistleblower does not experience any adverse consequences from colleagues that would result from the disclosure of corruption. Therefore, the IAPR could require the Directorate of Internal Affairs to expressly communicate to the whistleblower the outcomes of its investigation, and follow-up on the results of the prosecution, as applicable, to gather information that would eventually allow for the measurement of the effectiveness of the whistleblower programme. Moreover, if the scope of the whistleblower programme is expanded beyond a short list of bribery-related criminal offences, the Directorate of Internal Affairs could play an active role in ensuring the whistleblower does not experience reprisals.

The integrity principle

RECOMMENDS that Adherents preserve the integrity of the public procurement system through general standards and procurement-specific safeguards.

To this end, Adherents should:

i) Require high standards of integrity for all stakeholders in the procurement cycle. Standards embodied in integrity frameworks or codes of conduct applicable to public-sector employees (such as on managing conflict of interest, disclosure of information or other standards of professional behaviour) could be expanded (e.g. through integrity pacts).

ii) Implement general public sector integrity tools and tailor them to the specific risks of the procurement cycle as necessary (e.g. the heightened risks involved in public-private interaction and fiduciary responsibility in public procurement).

iii) Develop integrity training programmes for the procurement workforce, both public and private, to raise awareness about integrity risks, such as corruption, fraud, collusion and discrimination, develop knowledge on ways to counter these risks and foster a culture of integrity to prevent corruption.

iv) Develop requirements for internal controls, compliance measures and anti-corruption programmes for suppliers, including appropriate monitoring. Public procurement contracts should contain “no corruption” warranties and measures should be implemented to verify the truthfulness of suppliers’ warranties that they have not and will not engage in corruption in connection with the contract. Such programmes should also require appropriate supply-chain transparency to fight corruption in subcontracts, and integrity training requirements for supplier personnel.

The transparency principle

RECOMMENDS that Adherents ensure an adequate degree of transparency of the public procurement system in all stages of the procurement cycle.

To this end, Adherents should:

i) Promote fair and equitable treatment for potential suppliers by providing an adequate and timely degree of transparency in each phase of the public procurement cycle, while taking into account the legitimate needs for protection of trade secrets and proprietary information and other privacy concerns, as well as the need to avoid information that can be used by interested suppliers to distort competition in the procurement process. Additionally, suppliers should be required to provide appropriate transparency in subcontracting relationships.

ii) Allow free access, through an online portal, for all stakeholders, including potential domestic and foreign suppliers, civil society and the general public, to public procurement information notably related to the public procurement system (e.g. institutional frameworks, laws and regulations), the specific procurements (e.g. procurement forecasts, calls for tender, award announcements), and the performance of the public procurement system (e.g. benchmarks, monitoring results). Published data should be meaningful for stakeholder uses.

iii) Ensure visibility of the flow of public funds, from the beginning of the budgeting process throughout the public procurement cycle to allow (i) stakeholders to understand government priorities and spending, and (ii) policy makers to organise procurement strategically.

The risk management principle

RECOMMENDS that Adherents integrate risk management strategies for mapping, detection and mitigation throughout the public procurement cycle.

To this end, Adherents should:

i) Develop risk assessment tools to identify and address threats to the proper function of the public procurement system. Where possible, tools should be developed to identify risks of all sorts – including potential mistakes in the performance of administrative tasks and deliberate transgressions – and bring them to the attention of relevant personnel, providing an intervention point where prevention or mitigation is possible.

ii) Publicise risk management strategies, for instance, systems of red flags or whistle-blower programmes, and raise awareness and knowledge of the procurement workforce and other stakeholders about the risk management strategies, their implementation plans and measures set up to deal with the identified risks.
The accountability principle

RECOMMENDS that Adherents apply oversight and control mechanisms to support accountability throughout the public procurement cycle, including appropriate complaint and sanctions processes.

To this end, Adherents should:

i) Establish clear lines for oversight of the public procurement cycle to ensure that the chains of responsibility are clear, that oversight mechanisms are in place and that the delegated levels of authority for approval of spending and approval of key procurement milestones is well defined. Rules for justifying and approving exceptions to procurement procedures should be comprehensive and clear, such as in cases of limiting competition.

ii) Develop a system of effective and enforceable sanctions for government and private-sector procurement participants, in proportion to the degree of wrongdoing to provide adequate deterrence without creating undue fear of consequences or risk-aversion in the procurement workforce or supplier community.

iii) Handle complaints in a fair, timely and transparent way through the establishment of effective courses of action for challenging procurement decisions to correct defects, prevent wrongdoing and build confidence of bidders, including foreign competitors, in the integrity and fairness of the public procurement system. Additional key aspects of an effective complaints system are dedicated and independent review and adequate redress.

iv) Ensure that internal controls (including financial controls, internal audit and management controls), and external controls and audits are coordinated, sufficiently resourced and integrated to ensure:

1. the monitoring of the performance of the public procurement system;
2. the reliable reporting and compliance with laws and regulations as well as clear channels for reporting credible suspicions of breaches of those laws and regulations to the competent authorities, without fear of reprisals;
3. the consistent application of procurement laws, regulations and policies;
4. a reduction of duplication and adequate oversight in accordance with national choices; and
5. an independent ex-post assessment and, where appropriate, reporting to relevant oversight bodies.
Annex 2: The contribution of the 12 principles of the OECD Recommendation for the fight against corruption

**Transparency:** The public disclosure of information around public procurement processes contributes to identifying and decreasing cases of mismanagement, fraud, and corruption.

**Integrity:** Effective managing of conflicts of interest in the public service and in post-public employment, which can lead to undue influence and "capture", are necessary to prevent fraud and theft.

**Access:** Access to procurement opportunities for potential competitors of all sizes, including the limited use of exceptions to competitive tendering (direct awards, accelerated procedures, etc.), increases competition and decreases corruption risks.

**Balance:** Public procurement can be used to achieve secondary policy objectives, such as the development of small and medium-sized enterprises and standards for responsible business conduct, which have the potential to strengthen integrity to fight corruption in the framework of public procurement processes and beyond.

**Participation:** Participation, including the provision of opportunities for direct involvement of relevant external stakeholders in the procurement system, increases transparency and integrity and reduces the risks of corruption in public procurement processes.

**Efficiency:** Efficiency, by reducing waste, reduces the vulnerability to corruption since funds are better accounted for and used for the intended purposes.

**E-procurement:** E-procurement tools facilitate the access to public tenders and improve transparency of public procurement processes as well as accountability of procurement officials, which contributes to mitigate risks of corruption.

**Capacity:** More capable procurement officers are better able to comply with procedures and ensure that they are applied fairly and effectively to avoid corruption.

**Evaluation:** The collection of consistent, up-to-date and reliable information and the use of data on prior procurement can facilitate the identification of corruption cases as well as collusion.

**Risk management:** Risk management systems contribute to identify and address threats to the proper functioning of the public procurement system, including risks of fraud, misuse of public funds or corruption.

**Accountability:** Oversight and control mechanisms help to reinforce accountability throughout the procurement process. An effective complaint system contributes to identifying and sanctioning cases of corruption related to public procurement operations. If appropriately used, complaint systems may also reinforce risk management strategies and contribute to build a culture of integrity among procurement officials.

**Integration:** The visibility of the flow of public funds, from the beginning of the budgeting process throughout the public procurement cycle contributes to the transparency of the public procurement system and can reduce the risk of corruption.
Annex 3: Anti-corruption measures under the new Public Procurement Directives

**Prevent corruption.** Provisions of the new directives in terms of transparency:
- Prior publication of tenders,
- Clear and unbiased technical specifications,
- Equal treatment of bidders in all stages of the process,
- Objective evaluation of tenders: according to an appropriate methodology, unbiased award criteria, avoidance of conflicts of interests,
- Conclude the contract as tendered,
- Execute the contract as concluded.

**Prevent corruption.** Besides enhancing transparency, the reform of the public procurement directives and the new concessions directive are major leap forward by:
- Creating the framework for effective procedures for purchases at best value for money
- Tailored to all possible needs of contracting authorities
- Promoting streamlined rules avoiding complex, bureaucratic processes which usually extend the opportunities for corruption.

**MS should use the transposition period of the new directives (18th April 2016, 2018 for e-procurement) as an opportunity to:**
- To raise awareness of the rules amongst all public procurement actors, including the judiciary
- To overhaul the organisation of their public sector and adapt the institutional structures and internal mechanisms to the requirements of the new directives
- To reconsider in depth the efficiency of their public procurement and anti-corruption policies.

**Prevent corruption.** Public Procurement rules prevent corruption by enhancing transparency. Novelties in the new directives, directly enhancing transparency:
- E-procurement is generalised and becomes mandatory.
- Separate legal framework for concession contracts enhances transparency in this field.
- Introduction of a standard form self-declaration for bidders, the ‘European Single Procurement Document’ – it is more difficult to exclude tenders in the selection process.
- Copies of 10 Mio EUR works + 1 Mio EUR supplies and services contracts must be made available on request; exceptions allowed only in the case of commercially sensitive information.
- The scope of the public procurement directives is extended to the post-award phase (particularly vulnerable to corruption; the modification of contracts during their term without a new tender procedure is now regulated).
- Guidance for contracting authorities by MS and administrative exchange of information e.g. on exclusion ground are required.

**The new directives strengthen the anti-corruption purpose by introducing:**
- Stronger exclusion grounds, extended to situations where bidders: have entered into agreements, have tried to influence or mislead the contracting authority, have tried to obtain confidential information.
- The notion of conflict of interest is for the first time defined at EU level.
- The obligation for the MS and CA to take appropriate measures to effectively prevent, identify and remedy conflicts of interests.
- MS must monitor and report on measures to prevent and detect fraud, corruption and conflicts of interest and other serious irregularities.

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This document is part of the assessment of anti-corruption reforms in public procurement, health, and tax & customs.
**Detect corruption.** The new directives provides for the obligation for the MS to monitor the application of the public procurement rules. To respond to this obligation, the Commission encourages MS to develop an efficient monitoring system based on relevant indicators (red flags, anomalies detection tools) and a solid national database on irregularities in PP, building on similar examples such as ARACHINE, TED or contract registers existing in various MS. A solid data base and relevant red-flags/anomalies detection tools in place would also facilitate the task of the MS to respond to the obligation of reporting fraud, corruption and conflicts of interest and other serious irregularities linked to public procurement.

**Redress corruption.** According to the Remedies Directives, MS need independent and professional review bodies and need to reflect on the possibility to grant active legitimacy for NGOs or citizens. Corruption in procurement needs to be effectively sanctioned, in a procedure of appropriate length, by an independent judiciary which masters the public procurement rules and is vigilant to corruption.

**Additional ways to address corruption in PP:** compliance programs by businesses, whistle-blower protection, integrity pacts, a culture of integrity within the public service, etc.

*Source: Anti-corruption measures under the new Public Procurement Directives (presentation by Mr. Bogdan Stefan, European Commission, Directorate General Internal Market, Industry, Entrepreneurship and SMEs (Athens, 25.02.2016)*
## Annex 4 Action Plan Tax and Customs

### Work stream 1: Strengthening the legal and Institutional framework

<table>
<thead>
<tr>
<th>Main target</th>
<th>Required Action(s)</th>
<th>When</th>
<th>Agencies in charge</th>
<th>Agencies involved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributing from an anti-corruption point of view to the improvement of the Code of Revenue Taxation (simplification, equality before the law, transparency)</td>
<td>Reviewing and improving in a periodic basis: 1. the legislative loops 2. the taxation coefficients (rationalisation of coefficients), 3. the taxable base 4. the special exceptions 5. the equal tax treatment 6. the print tax declarations and .... (fusion of the ...)</td>
<td>Action in progress (relevant law voted on the 17/7/2013)</td>
<td>(Commission of Tax Reform) Directorate of Revenue</td>
<td>- (Commission of Tax Reform and IMF) - Directorate of Revenue - Directorate of Tax Compliance - GSIT</td>
</tr>
<tr>
<td>By reviewing and improving: 1. VAT declaration with payment of the tax 2. rationalisation of coefficients</td>
<td></td>
<td>Action in progress (Law 4152/2013 and ... 1129 and 1170/2013)</td>
<td>Directorate of VAT</td>
<td>- Working group on VAT - Directorate of VAT - Directorate for tax compliance - GSIT</td>
</tr>
<tr>
<td>By reviewing and improving: 1. the print tax declarations and returns 2. the IT support 3. the fair and equal treatment 4. procedure of citizens avoiding contact with employees etc</td>
<td></td>
<td>Action in progress (Change in return procedure ... 1058, 1066 and 1067/2013)</td>
<td>- General Directorate for Taxation - General Directorate for Tax Controls and Collection of Public Revenue</td>
<td>- Working group on VAT - Directorate of VAT - Directorate for tax compliance - GSIT - Directorate of Revenue</td>
</tr>
<tr>
<td>Rationalisation of sanctions and fines (unification, classification, Fusion) based on: 1. the principle of proportionality 2. the maximum possible objectiveness of the fines/sanctions (history of compliance)</td>
<td></td>
<td>Action in progress from 1. the Task Force which is setting up a Tax Procedure Code 2. for customs violations, undergoing by the Directorate for Customs Control, excepted to be concluded by December 2013</td>
<td>- General Tax Directorate - General Directorate for Tax Controls and Collection of Public Revenue - General Directorate for Customs</td>
<td>- Directorates of the General Directorate for Customs - Directorate of Operational Strategy - Directorate for VAT - Directorate for Revenue - Directorate for Capital</td>
</tr>
<tr>
<td>By reviewing and improving: 1. Choice of the registration place (personal, banking, security contract etc) 2. Choice of the way by examining the creditworthiness of the</td>
<td></td>
<td>Action in progress (starting point on September 2013- conclusion by December 2013)</td>
<td>- General Directorate of Customs - Directorate of Customs Procedures</td>
<td>Directorates of the General Directorate of Customs</td>
</tr>
<tr>
<td>Main target</td>
<td>Required Action(s)</td>
<td>When</td>
<td>Agencies in charge</td>
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<tr>
<td>Contributing from an anti-corruption point of view to the simplification of customs related laws and procedures</td>
<td>1. Simplification of import and export procedures, of the implementation of the framework, of the National Strategic Plan and the Road map for the facilitation of the External Commerce 2... of the implementation framework of the Single Window, which is part of the economic adaptation program for Greece and the MoU. 3. Simplification of the procedures of customs related to merchandise</td>
<td>Action in progress (The actions are expected to be concluded by November 2013, with the set in motion of the IT system for customs (ICISnet)).</td>
<td>-General Directorate of Customs Procedures</td>
<td>Directories of the General Directorate of Customs</td>
</tr>
<tr>
<td>Contributing from an anti-corruption point of view to the simplification of the legal framework and the establishing of transparent procedures of disciplinary actions towards employees of the Ministry of Finance</td>
<td>By reviewing and improving: 1. the criminal legislation and the criminal procedures for cases of disciplinary violations 2. examining particularities of each branch 3. objective evaluation of reports coming from employees 4. Staffing service and disciplinary councils with capable and trained employees for more objective verdicts and substantial rendering of disciplinary justice</td>
<td>General Directorate for Financial Inspection</td>
<td>-General Secretariat for Financial Inspection -Directorate of Human Resources -Directorate of External Affairs -Directorate of Controls</td>
<td></td>
</tr>
<tr>
<td>Contributing from an anti-corruption point of view to the enactment within tax and customs legislation of the right to information access, as the basic principle of transparency of the tax and customs administration</td>
<td>Reviewing and improving: 1. cases where tax confidentiality is lifted 2. the data that are covered by tax confidentiality</td>
<td>Directorate for Organisation (dialogue on a national level)</td>
<td>-Directorate for Organisation -Directorate of Internal Affairs -Legal Council of the State -General directorate of customs</td>
<td></td>
</tr>
<tr>
<td>Improvement of the laws and enactment of the controlled procedures of protection related to informants and to employees from negative actions</td>
<td>By reviewing and improving: 1. the legislation related to the protection of informants 2. 1. the legislation related to the protection of employees from negative actions p.e. legal 3. the motives p.e. sanctions to informants of bad faith</td>
<td>The action in undergoing analysis by a Commission of the Ministry of Justice in order to reform the Criminal Code, especially provisions related to corruption. There has been a proposal to the MoJ for the protection of whistle-blowers (informants), the protection</td>
<td>-Directorate for External Affairs (conversation on a national level)</td>
<td>-Directorate of External Affairs -General Secretariat for Financial Inspection -Directorate of Human Resources -Unit for Fighting Financial Crime</td>
</tr>
</tbody>
</table>
### Work stream 2: Strengthening external and internal controls (tax and customs controls)

<table>
<thead>
<tr>
<th>Main target</th>
<th>Required Action(s)</th>
<th>When</th>
<th>Agencies in charge</th>
<th>Agencies involved</th>
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</thead>
<tbody>
<tr>
<td><strong>Reinforcement of Internal Controls:</strong></td>
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<tr>
<td>Creation and reinforcement of An Audit Service</td>
<td>A/Organise an one day workshop for the information of the heads of organic units of tax and customs administration and other sectors of the Ministry of Finance, for the necessity of organising and function of internal control and internal audit</td>
<td>Action in progress (The workshop took place “Risk management within the tax administration” on the 10-11 of April 2013. The rest of actions are continuous)</td>
<td>Directorate for the Surveillance of Audit</td>
<td>-Directorate of Internal Affairs -GSIT</td>
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<tr>
<td></td>
<td>B/ Division of competences among services and implementation of the following: 1.Map sectors with highly susceptible to corruption 2.Create annual programming, provide guidance, focus on compulsory control functions and follow up of the implementation from the several Heads in order to guarantee effective procedures 3.Awareness for the expansion of audit culture 4.Expansion of the use of electronic traces as a source of audit</td>
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<tr>
<td>Reinforcement of the Directorate of Internal Affairs</td>
<td>1.Mapping the overall and individual responsibilities within the network for fighting corruption in order to avoid overlaps 2.Transfer of competences from the Financial Inspection to the Directorate of Internal Affairs 3.Reinforcement of the mechanisms for verification of assets for all categories of employees of the MoF, including elected/designated officials</td>
<td>31/12/2013 (conversation on a national level)</td>
<td>Directorate of Internal Affairs</td>
<td>-Directorate of Internal Affairs -GS of Financial Inspection -Unit fighting Financial Crime -GSIT -GD for Tax Control and collection of Public Revenue -GD of administrative support</td>
</tr>
</tbody>
</table>
## Main target
### Objective choice of cases of employees corruption in high risk areas
- By reviewing and improving:
  1. The criteria (risk analysis)
  2. IT system support
  3. Needs from cases for the controllers that have to be based on rules and be aligned with individual classification of cases
  4. Providing follow up tools and procedures related to measures for anti-corruption
  5. Write templates related to relation between corruption and money laundering, using reports and economic actions related to revenue laundering from corruption
- **When**: 30/9/2013
- **Agencies in charge**: Directorate of Internal Affairs
- **Agencies involved**: -Directorate of Internal Affairs
  - GSIT
  - GS of Financial Inspection
  - HR Directorate

### Creation and put in writing of templates audits
- Mapping basic principles that represent the standard audit practices:
  1. Write an Audit Manual
  2. Contribute to the creation of quality audit
  3. Create evaluation standards for the effectiveness of audit
  4. Create evaluation of the recent legislative interventions and regulations related to the de-orientation of cases related to audit
- **When**: In progress (only 1. Has been completed)
- **Agencies in charge**: Directorate of Inspection of Audit of the GS for Financial Inspection
- **Agencies involved**: -Directorate of Audit Inspection
  - Group of risk analysis within the tax and customs administration
  - Directorate of Internal Affairs

### Creation of effectiveness indicators when searching and prosecuting criminal actions of corruption
- 1. Creation of an indicator that measures the control of corruption cases reported from citizens and employees
  2. Creation of an indicator that measures the origin of complaints
  3. Creation of a general evaluation indicator that measures procedures and productivity
- **When**: 1st trimester of 2014
- **Agencies in charge**: Directorate of Internal Affairs
- **Agencies involved**: -Directorate of Internal Affairs
  - GSIT
  - HR Directorate

### Capacity building within the Unit of Audit and reinforcement of the effectiveness of disciplinary procedures and verdicts
- 1. Train the personnel of Audit Units
  2. Improvement and acceleration of procedures related to disciplinary actions
  3. Collection of results of disciplinary faults
- **When**: In progress
- **Agencies in charge**: Directorate of Audit Inspection of the SG for Financial Inspection
- **Agencies involved**: -Directorate of Audit Inspection
  - Service of Audit
  - HR Directorate

### Evaluation on how to tackle corruption related to fraud connected to the use of EU funds
- Creation and improvement of management and control systems regarding the use of EU funds
- **When**: In progress (on national level)
- **Agencies in charge**: Directorate of Audit Inspection of the SG for Financial Inspection
- **Agencies involved**: -Directorate of Audit Inspection

### Special training and seminars from the Directorate of Audit for the high ranked officials of the Ministry of Finance related to prevention and identification of corruption
- Analysis and implementation...
  - Continuous action that will begin after the approval of the Strategic Plan and the notification of the Code of Ethics and Deontology
- **When**: Continuous action
- **Agencies in charge**: Directorate of Internal Affairs
- **Agencies involved**: -Directorate of Internal Affairs
  - HR Directorate

### Improvement and
- 1. Register the functions and...
- **When**: In progress
- **Agencies in charge**: GD of Controls and Collection of -Directorate of Audit

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**ASSESSMENT OF ANTI-CORRUPTION REFORMS IN PUBLIC PROCUREMENT, HEALTH, AND TAX & CUSTOMS**
## Main target

### Development of evaluation systems and risk management within tax and customs administration

- **Required Action(s):**
  1. Procedures of tax and customs administration (regulatory, operational, supporting)
  2. Identify potential risks within the functions and the abovementioned procedures, as well as their evaluation
  3. Continuous analysis of risk since procedures are frequently modified and new risks emerge

- **When:**
  1. A seminar "Risk management within tax and customs administration" on the 10-11 April 2013
  2. Working groups have been composed for the registering of functions and procedures and their evaluation based on potential risk

- **Agencies in charge:**
  - Public Revenues
  - GD of customs
  - Directorate of Audit Inspection

- **Agencies involved:**
  - Inspection
  - Directorate of Operational Design
  - Directorate of Tax Compliance
  - Directorate for Tax Collection
  - Directorate of Controls
  - Directorate of Organisation
  - SGIT
  - Analysis groups for risks within the tax and customs administration
  - Directorate for customs

### Objective choice of cases for the control of taxpayers based on risk

- **Required Action(s):**
  1. Reviewing and improving criteria (risk analysis)
  2. IT system support
  3. To inspectors that must be based on rules and be aligned with specialties and particular classification of tax payers

- **When:**
  - Continuous analysis of risk since procedures are frequently modified and new risks emerge

- **Agencies in charge:**
  - GD of Controls and Collection of Public Revenues

- **Agencies involved:**
  - Directorate of Operational Design
  - Directorate of Controls
  - Directorate of Tax Compliance
  - Directorate of Collection Policies
  - GSIT

### Creation and writing of control standards for tax and customs controls

- **Required Action(s):**
  1. Create a framework that defines the principles and the procedures of the controlling work:
     - Code of rights and obligations of the controllers and the controlled
     - Controlling documentation
     - Controllings conclusions and reports

- **When:**
  - Continuous action

- **Agencies in charge:**
  - Directorate of Operational Design

- **Agencies involved:**
  - Directorate of Operational Design
  - Directorate of Controls
  - Directorate of Tax Compliance
  - Directorate of Customs Controls
  - Unit for fighting financial crime

### Redefinition and reinforcement of the quality of external controls (tax and custom controls)

- **Required Action(s):**
  1. By reviewing and improving:
     - Procedure of random cases chosen for review
     - Anonymity of the inspector

- **When:**
  - Continuous action

- **Agencies in charge:**
  - Directorate of Operational Design

- **Agencies involved:**
  - Directorate of Operational Design
  - Directorate of Controls
  - Directorate of Collection Policies
  - Directorate of Customs Controls
  - Directorate of Tax Compliance
  - Unit for fighting financial crime

## Work stream 3: Strengthening the cooperation (external and internal) and the exchange of information

### Main target

### Reinforcement of the cooperation between the Directorate of Internal Affairs and all the involved agencies, such as the General Inspector, the Prosecutor and the Authority Against the Legalisation of Revenue made by Criminal Activities and Financing Terrorism and Control of Asset Declaration

- **Required Action(s):**
  1. Set competences and responsibilities
  2. Working procedures
  3. Regular meeting with the interested agencies regarding the progress of cases
  4. Evaluation of the number of cases sent to the Prosecutor each year

- **When:**
  - Continuous action

- **Agencies in charge:**
  - Directorate of Internal Affairs

- **Agencies involved:**
  - Directorate of Internal Affairs
  - Directorate for Surveillance of Audit
  - Authority Against the Legalisation of Revenue made by Criminal Activities
  - Prosecutor
  - Unit Against Financial Crime
  - Directorate for the Control of Customs
  - Directorate of Human Resources
### Work stream 4: Strengthening prevention, of awareness raising and public integrity

<table>
<thead>
<tr>
<th>Main target</th>
<th>Required Action(s)</th>
<th>When</th>
<th>Agencies in charge</th>
<th>Agencies involved</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reduce bureaucracy and improve provided services</strong></td>
<td>1. Develop electronic forms in order to pay taxes related to banking transactions and with possibilities of precision of the amounts 2. Research and proposals related to which part of the procedures and citizen obligations can be done electronically so that transactions within the MoF are reduced</td>
<td>In progress 1. Payments to Banks of regulated debts have been implemented 2. Electronic payments at customs will begin after the implementation of the IT system of customs ICISnet (January 2014)</td>
<td>- General Directorate of Customs  - General Directorate of Tax Controls and Collection of Public Revenue</td>
<td>- GD of Taxation - Directorate for Tax Collection - Directorate for Tax Compliance - Directorate for Tax Control - Directorate for Operational Design - Directorate of Controls - Directorate of Customs Procedures</td>
</tr>
<tr>
<td><strong>Reinforce perception of accountability and</strong></td>
<td>1. Analytical registration of operational</td>
<td></td>
<td>GD of Administrative support</td>
<td>- GD of Administrative support</td>
</tr>
<tr>
<td>Main target</td>
<td>Required Action(s)</td>
<td>When</td>
<td>Agencies in charge</td>
<td>Agencies involved</td>
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<tr>
<td>Transparency at work provided by tax and customs systems, for both the</td>
<td>procedures that defines the way the MoF executes each competence 2. Inform citizens on the abovementioned registered procedures</td>
<td>31/12/2013</td>
<td>Directorate of Internal Affairs</td>
<td>-GD Tax Controls and Collection of Public Revenue -GD of customs -Groups of risk analysis related to tax and customs administration</td>
</tr>
<tr>
<td>employees and the citizens</td>
<td></td>
<td></td>
<td>-Directorate of Internal Affairs</td>
<td></td>
</tr>
<tr>
<td>Encourage reporting corruption at the MoF</td>
<td>1. Create a unified centre for reporting and managing corruption complaints at the MoF 2. Create a unified centre for reporting and managing tax evasion and money laundering complaints at the MoF 3. Publication and communication of the successful detection of corruption that reveals the positive effects of having the public participating in the fight against corruption within tax administration 4. Raise awareness among citizens by using the media with a text approved by the MoF/ a tv commercial in order for the society to understand the negative effects of corruption upon society, the State and Democracy. Each citizen will realise his/her personal responsibility to contribute in corruption when they do not report such cases.</td>
<td></td>
<td>-Directorate of Internal Affairs -Directorate of Internal Affairs -SG for Financial Inspection -GD Tax Controls and Collection of Public Revenue -HR Directorate -Financial Crime Unit</td>
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</table>
### Annex 4: Action Plan - Tax and Customs

#### Assessment of Anti-Corruption Reforms in Public Procurement, Health, and Tax & Customs

<table>
<thead>
<tr>
<th>Main target</th>
<th>Required Action(s)</th>
<th>When</th>
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</tr>
</thead>
</table>
| Rights of employees serving within tax and customs administration | - Risk areas (vulnerable areas and indicators)  
- How to react to corruption suspicions  
- Everyone’s contribution in preventing corruption  
2. Special training for the newly hired and the other employees regarding the Code of Professional Ethics and Deontology  
3. Define measures that will safeguard the follow-up on the implementation of the Code  
4. Create internal channels of communication that will facilitate the exchange of relevant information and data in order to raise awareness, prevent and repress corruption | In progress | GS for Financial Inspection  
HR Directorate  
Directorate for Organisation | - GS for Financial Inspection  
- HR Directorate  
- Directorate for Organisation |

| Improve the services provided to citizens by strengthening the information accessed electronically, providing legislation, interpretation of the laws, procedures and providing advice and answers to questions | 1. Research necessity  
2. Guarantee support and conservation resources of the internet. | | GSIT | - GD Tax Controls and Collection of Public Revenue  
- Directorate for taxation  
- Directorates of Taxation  
- Directorates of Customs  
- SGIT |

| Contribute at the fight against corruption from the side of organisational management: | | | | |
| a) Amplification and take measures in order to avoid overlaps among the competences of the Directorates of the Organisation | 1. Mapping and identifying competences overlaps between the Directorates and the services of the organisation  
2. Redefinition of the competences in order to eradicate overlapping competences | In progress | Directorate of Organisation | Group of Administrative Reform |
| b) Reinforce the role and the coordination between Central and Regional Services of the MoF (powerful central services) | Upgrade central control and monitor local and regional services and their employees:  
1. Adopt objective efficiency targets for all heads of department throughout tax and customs services, functions, and obligation to report within an annual framework the efficiency of the evaluation  
2. Choose indicators that can identify cases of faulty tax returns etc such as high frequency of low tax, high frequency of controls without sanctions etc  
3. Analysis of the | In progress (1. Has been completed) | - GD of Organisation  
- GD Tax Controls and Collection of Public Revenue  
- GD of Customs | Directorate of Audit  
- Directorates of Customs  
- GD Tax Controls and Collection of Public Revenue  
- Directorate for measuring efficiency |

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**ASSESSMENT OF ANTI-CORRUPTION REFORMS IN PUBLIC PROCUREMENT, HEALTH, AND TAX & CUSTOMS**
<table>
<thead>
<tr>
<th>Main target</th>
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<tbody>
<tr>
<td>discrepancy between expected and real results from employees actions in order to identify anomalies related to corruption</td>
<td></td>
<td></td>
<td>HR Directorate</td>
<td>-Directorate of Organisation</td>
</tr>
<tr>
<td>c) Allocation of human resources by service based on real needs and rational criteria</td>
<td>1. Creation of new organisagrams with organisational development</td>
<td>In Progress (1. Has been completed)</td>
<td>-Directorate of Organisation</td>
<td>-HR Directorate</td>
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<tr>
<td></td>
<td>2. Define work tasks based on the real needs of the Organisation</td>
<td></td>
<td>-Directorates of Tax Controls and Collection of Public Revenues</td>
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</tr>
<tr>
<td>d) Improve services provided to citizens with the creation and staffing of a department charged with informing citizens in every tax service (ignorance is an important cause of corruption)</td>
<td>1. Necessity of function</td>
<td></td>
<td>HR Directorate</td>
<td>-Directorate of Organisation</td>
</tr>
<tr>
<td></td>
<td>2. Description of work tasks</td>
<td></td>
<td>-Directorates of Tax Controls and Collection of Public Revenues</td>
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<td>3. Staffing, training, choose adequate personnel based on a special profile</td>
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<td>-HR Directorate</td>
<td>-Directorate of Organisation</td>
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<td></td>
<td>-Directorates of Tax Controls and Collection of Public Revenues</td>
<td>-GD of Taxation</td>
</tr>
<tr>
<td>e) Create up-to-date and objective feedback for employees and manage their career advancement based on the former</td>
<td>1. Create an objective system of employee evaluation</td>
<td>In Progress (1. Has been completed)</td>
<td>HR Directorate</td>
<td>-HR Directorate</td>
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<td></td>
<td>2. Establish internal mobility of HR with changes based on evaluation</td>
<td></td>
<td>-Directorate of Organisation</td>
<td>-Directorate of Organisation</td>
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<td>3. Evaluate heads of departments by taking into account the prevention and repression of corruption</td>
<td></td>
<td>-Directorate of Operational Design</td>
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<tr>
<td>Safeguard effectivity, quality and efficiency of the activities-including efficiency and productivity analysis</td>
<td>Define indicators that measure effectiveness, quality and efficiency</td>
<td></td>
<td>-Directorate for Measuring Efficiency</td>
<td>-Directors of Tax Controls and Collection of Public Revenues</td>
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<td>-Directorate for Measuring Efficiency</td>
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ASSESSMENT OF ANTI-CORRUPTION REFORMS IN PUBLIC PROCUREMENT, HEALTH, AND TAX & CUSTOMS