



*Greening Energy  
Market and Finance*

Project website: <http://grenfin.eu>

# National Recovery and Resilience Plan Greece



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**S P E E D**  
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## Synopsis (1)

The Greek Recovery and Resilience Plan consists of the following four pillars:

- ✓ Green
- ✓ Digital
- ✓ Employment, skills and social cohesion
- ✓ Private investment and economic and institutional transformation.





## Synopsis (2)

Mobilizes significant forces from the **private sector** using:

- ✓ **Public-Private Partnerships (PPPs)** for public investments
- ✓ **Energy Service Companies (ESCOs)** and
- ✓ Co-financing through a variety of **financial instruments**

in order to raise significant **additional private funds** for eligible private investment.



## Synopsis (3)

Significant Investments in **Public Services** to enhance the quality, efficiency and access in:

- Health
- Education
- Vocational training
- Justice
- Social Protection network





# RRP Budget & Funding mechanism (1)

Pillars	Grants	% of RRP subtotal	Loans	Sum of Grants and Loans
Green	6,03	33,1 %		
Digital	2,14	11,8 %		
Employment, skills and social cohesion	5,21	28,6 %		
Private investment and economic & institutional transformation	4,82	26,5 %		
<b>RRP Subtotal</b>	<b>18,20</b>	<b>100</b>	<b>12,7</b>	<b>30,9</b>
Private Investment, inexpensive loans (React – EU, Just Transition Fund, European Agricultural Fund for Rural Development)				26,7
<b>Total</b>				<b>57,6</b>

*In billion €*





# RRP Budget & Funding mechanism (2)

## Private Funding materialization

Mechanism	Financing Entities
Co-financing	International financial institutions
Equity participation	Commercial banks & financial institutions
Guarantees (restricted)	Venture Capital





# Fiscal targets

- Closing the **negative output investment gap** which for 2020 (Oct 2020 data) was projected to be equal to 12.3% (*euro area average vs Greece – investments as a % of GDP*)
- Closing the **large investment gap**, in Greece 10% of GDP compared to Eurozone average of 22.2%
- Closing the large **interest rate differential** on business loans compared to the EMU average





# “Historical socioeconomic” basis for RRP (1)

## GDP per capita

- in 2007 Greece was behind the average of EU and the € area by 11.8% and 23.4%
- in 2019 these discrepancies amounted to 36.6% and 43.2%

## EU 27 position

- 14<sup>th</sup> in 2007 to 18<sup>th</sup> in 2019

## GDP growth rate 1981 - 2019

- average annual real GDP was 0.9%
- average per capita real GDP around 0.6% per year

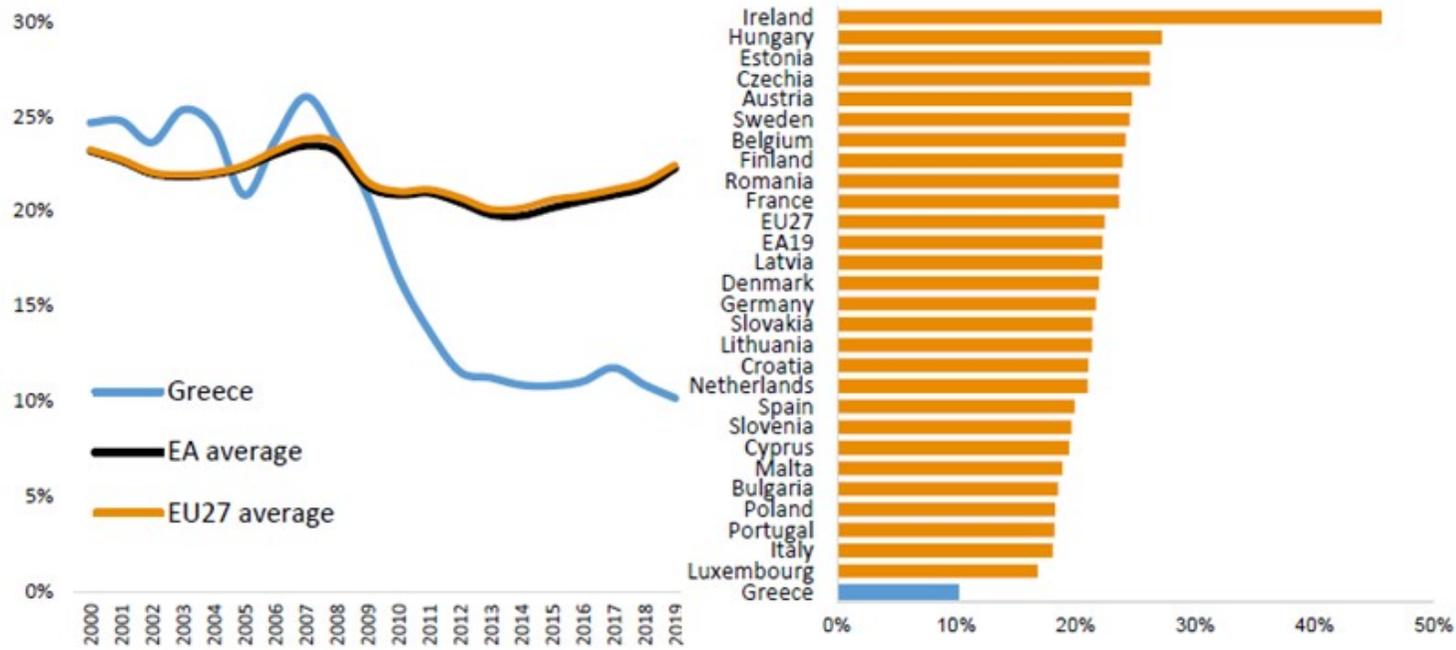
## Regional inequalities in per capita GDP

- Eastern Macedonia-Thrace (11.900 € in 2018) and the North Aegean (11.800 €) is about half that in Attica (23.300 €)



# “Historical socioeconomic” basis for RRP (2)

Figure 1 Gross fixed capital formation (% GDP), 2000-19 & 2019



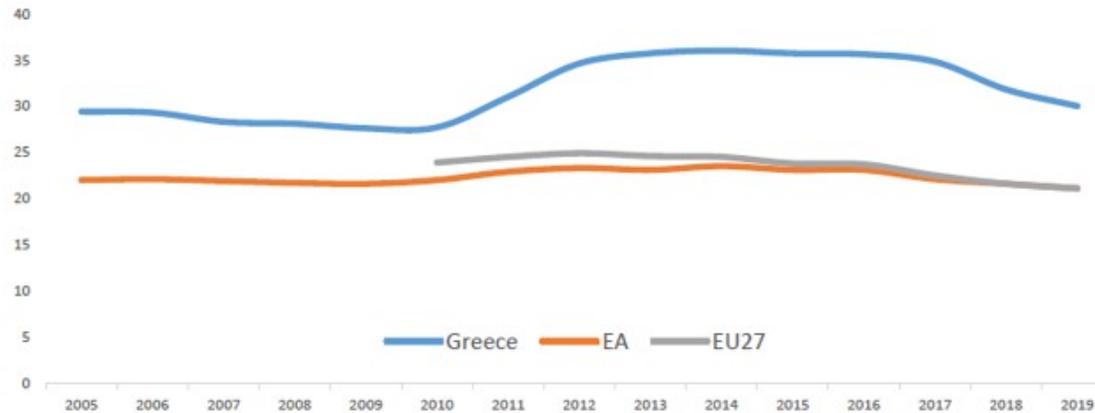
Source: Eurostat [nasa\_10\_ki, updated on 29/10/2020]. Note: data for Bulgaria is from 2017, data for Luxembourg, Malta and Poland is from 2018 (right-hand side chart).





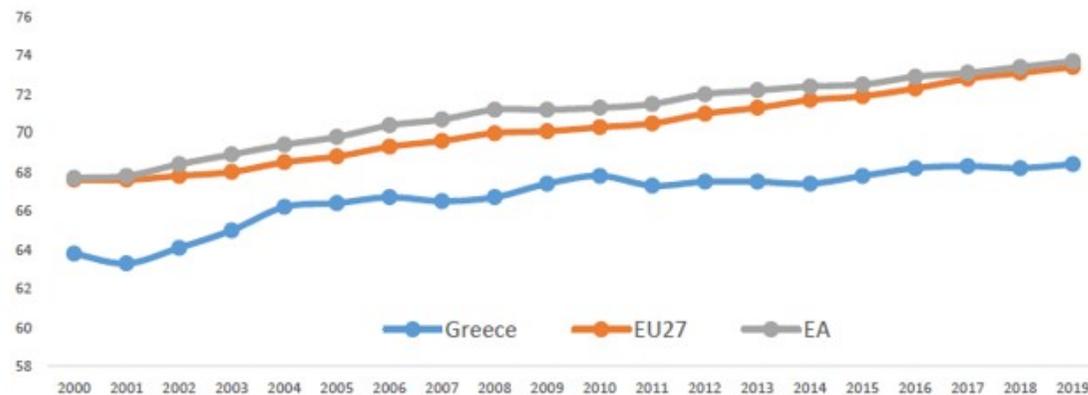
# “Historical socioeconomic” basis for RRP (3)

Figure 3: Risk of poverty and social exclusion, % of total population



Source: Pissarides' Committee report (values from Eurostat [ilc\_peps01])

Figure 4: Economically active population as % of total population, ages 15-64



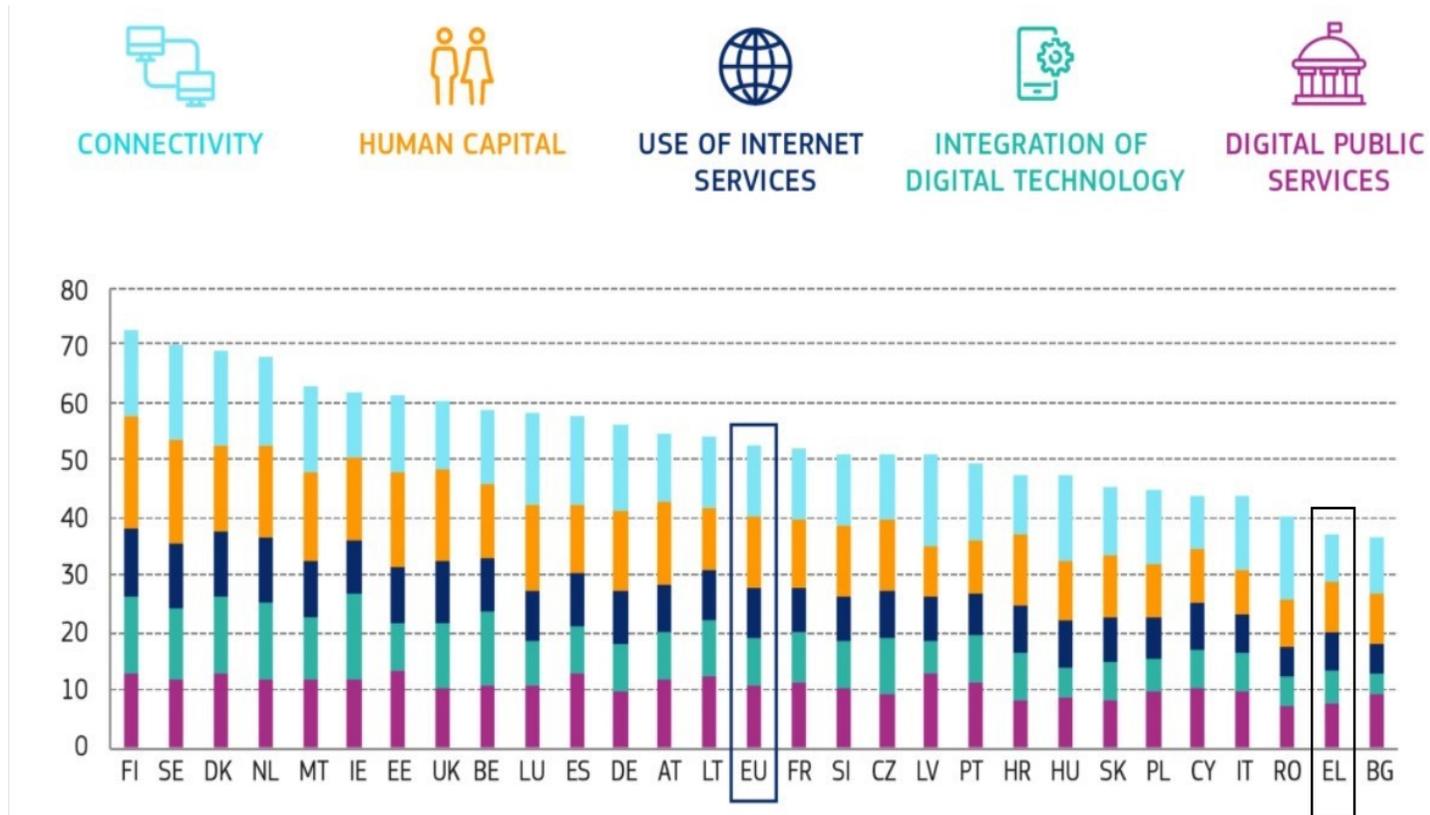
Source: Pissarides' Committee report (values from Eurostat [lfsi\_emp\_a])





# “Historical socioeconomic” basis for RRP (4)

Figure 5: The Digital Economy and Society Index (DESI)



Source: [DESI 2020](#)





# RRP Objectives

1. Promoting economic, social and territorial cohesion and convergence
2. Strengthening economic and social resilience and shock-adjustment capacity
3. Mitigating the economic and social impact of the crisis
4. Supporting the green and digital transitions





# Objective no 1

## Promoting economic, social and territorial cohesion and convergence

- an increase in the potential production of Greece is required.

Curtailment factors that must be surpassed

- ✓ low percentage of productive investment due to restrictions on access to finance, market failures in the banking sector, institutional barriers, barriers to public administration and the justice system
- ✓ low productivity due to low-level investments in research and development and digital technologies, low degree of innovation, small size of Greek enterprises
- ✓ high unemployment and low employment levels affecting mainly women (of high educational level) and young people
- ✓ high proportion of people at risk of poverty and social exclusion. The country has the 3rd largest share in the EU
- ✓ regional disparities





## Objective no 2

### Strengthening economic and social resilience and shock-adjustment capacity

- Reasons of Macroeconomic Imbalances
  - ✓ high government debt,
  - ✓ high negative net international investment position (NIIP),
  - ✓ high unemployment rate
  - ✓ large share of non-performing loans (NPLs) in banks' balance sheets
- How to face them in order to increase shock absorption capacity
  - ✓ anti-cyclical fiscal policy
  - ✓ growth of the internationally traded sector
  - ✓ strengthening the financial sector and capital markets
  - ✓ responsive labor market institutions





## Objective no 3

### Mitigating the economic and social impact of the crisis

- ❖ macroeconomic scenario of the 2021 Budget
  - GDP to shrink by 10.5% in 2020 and recover by 4.8% in 2021.
  - primary General Government -7.2% of GDP in 2020 and -3.9% in 2021
- ❖ The Recovery and Resilience Plan gives the economy a cyclical boost in two ways
  - ✓ indirectly - through macroeconomic impact
  - ✓ Directly – through mature high-multiplier investments in infrastructure

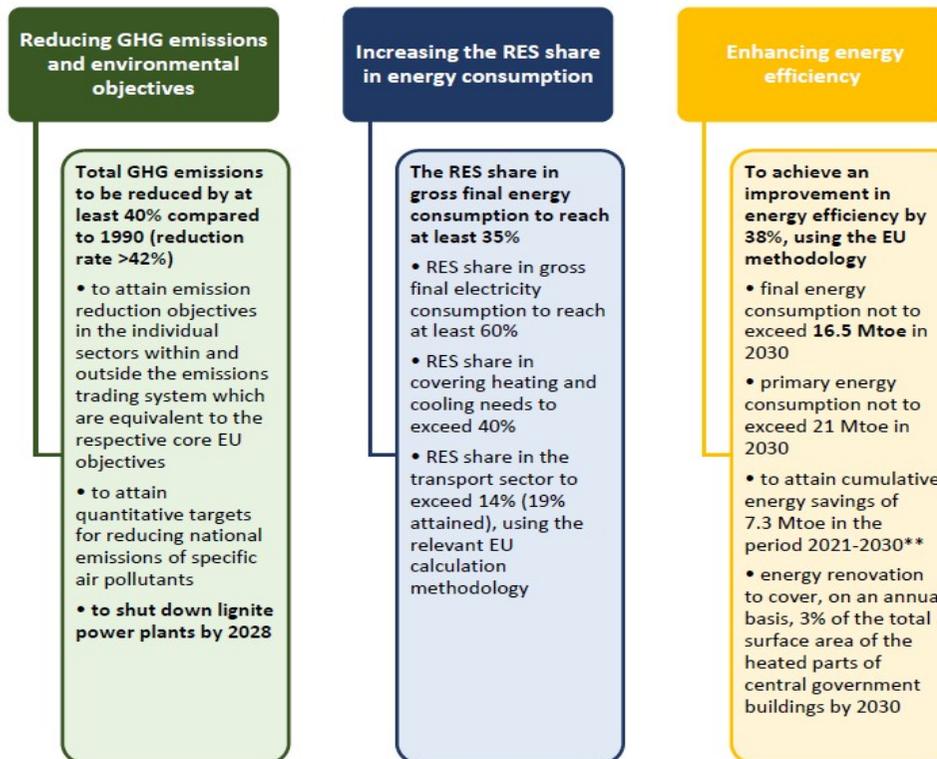




# Objective no 4 (1)

## Supporting the green and digital transitions - green transition

Fig 6: National Energy & Climate Plan (NECP)



\* Without taking into account the contribution of ambient heat

\*\* The target has been calculated on the basis of the ex-post final energy consumption data for the period 2016-2017 and the temporary data for 2018

Source: Greek Government, NECP, DECEMBER 2019





## Objective no 4 (2)

### Supporting the green and digital transitions - digital transition

	Secure, fast and reliable internet access for everyone
	A digitalised state, offering better, digital services to citizens, in all the events of their lives
	Development of digital skills of all citizens
	Facilitating conversion of every Greek business to a digitalised company
	Support and enhancement of digital innovation
	Productive utilization of public data
	Integration of modern and up to date technologies in all sectors of the economy

Source: Greek Government, Digital Transformation Bible , DECEMBER 2020





# Pillars & components (1)

Pillar	Component
1 - Green	1.1 - Power up
	1.2 - Renovate
	1.3 - Recharge and Refuel
	1.4 - Sustainable use of resources, climate resilience
2 - Digital	2.1 - Connect
	2.2 - Modernize
	2.3 - Digitalization of businesses





## Comp 1.1 – “Power up” investments/reforms

- ❖ Upgrading of electricity infrastructures for higher RES share and interconnection of islands (Crete & Cycladic islands)
- ❖ Installation of electricity smart meters to all consumers
- ❖ enhancement and improvement of the energy efficiency of district heating systems in energy transition regions
- ❖ Structural reforms for the RES aid support scheme





## Comp 1.2 – “Renovate” investments/reforms

- ❖ upgrading the energy efficiency of the residential building stock
- ❖ electricity storage infrastructure and vehicle charging stations
- ❖ smart homes (energy management systems and devices)
- ❖ “green” development - improvement of energy efficiency of building of the secondary and tertiary sectors including tourism
- ❖ ESCO’s for energy renovation of public buildings





## Comp 1.3 – “Recharge & Refuel” investments/reforms

- ❖ Support to local authorities for creation of vehicle charging network in their areas and at points of interest on urban and suburban environment
- ❖ Aid to “e-mobility” sector for new production lines and R&D units





## Comp 1.4 – “Sustainable use of resources, climate resilience” investments/reforms

- ❖ efficient use of natural resources
- ❖ promotion of circular economy through efficient waste management
- ❖ adaptation and restoration of the natural environment.





## Comp 2.1 “Connect” investments/reforms

- ❖ “Fibre to the home” - installation of fibre optics in each house
- ❖ 5G Corridors: A collaborative network of cross-border corridors between European countries for the testing and deployment of 5G technology.
- ❖ Small-satellites
- ❖ schools and educational facilities first public interest buildings to proceed to Gigabit society





## Comp 2.3 Digitalization of businesses (scale up) investments/reforms

- ❖ Digital Meter: online tool for assessing the degree of digital maturity of SME's
- ❖ Centre of Digital Innovation
  - In Public Sector - Open Innovation initiatives for public corporations, small businesses, start-ups and the research/academic sector
  - development and monitoring of Digital Innovation Hubs (DIHs) network
- ❖ Digital Applications for Improving Business, Infrastructure & Environment
  - Measurement and monitoring of air pollutants and marine pollution, digital environmental inspections
  - Electronic Tolls and vehicle monitoring system
  - Upgrade of railways telecommunication infrastructure
  - Digital transformation of public service providers





# Pillars & components (2)

Pillars	Components
3 - Employment, skills and social cohesion	3.1 - Promote participation in the labor market
	3.2 - Education, vocational education, training, and skills
	3.3 - Improve resilience, accessibility of healthcare
	3.4 - Increase access to effective social policies
4 - Private investment and economic & institutional transformation	4.1 - Improving tax administration and collection
	4.2 - Modernize the public administration
	4.3 - Improve the efficiency of the justice system
	4.4 - Strengthen the financial sector and capital markets
	4.5 - Promote research and innovation
	4.6 - Modernize key economic sectors
	4.7 - Improve competitiveness





## Comp 2.2, 3.1 – 4.7 “Modernize”

Reforms and investments in the areas of Components 2.2 and 3.1 to 4.7 that will lead to:

- ❖ digital transformation of Public Sector organizations and the strengthening of their digital services,
- ❖ improvements in business processes accompanied by the integration of modern information systems,
- ❖ significant enhancement of the interoperability of information systems and data
- ❖ a strong enhancement of cybersecurity, and
- ❖ the widespread use of state-of-the-art technologies, such as cloud computing and the efficient management of big data.





## Comp 2.2, 3.1 – 4.7 “Modernize” Indicative investments/reforms (1)

- ❖ Digital and Administrative Transformation of PA's One stop Shops
- ❖ CRMS for the General Government
- ❖ New System for Public Procurement
- ❖ e-Health (Digital Patients' Health Records, Cancer treatment/e-health program, Telemedicine, Hospital Logistics)
- ❖ e-Justice (Digitalization of Critical Archives of the State, Interoperability of all subsystems - Unified Digital Trial Slot)





## Comp 2.2, 3.1 – 4.7 “Modernize” Indicative investments/reforms (2)

- ❖ Digitalization of the IAPR (Taxation Information System, Multi Annual Strategic Plan Framework Implementation for customs procedures)
- ❖ Digital Transformation in culture & tourism (Augmented and Virtual Reality for Museums and Tourism)
- ❖ Digital Registries (Sports Registries, Business Registry-Second Phase, Tourism Registry e-MHTE)
- ❖ Digital transformation of the social protection system
- ❖ Central g-cloud infrastructure for all governmental organisations



Thank you for your  
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