

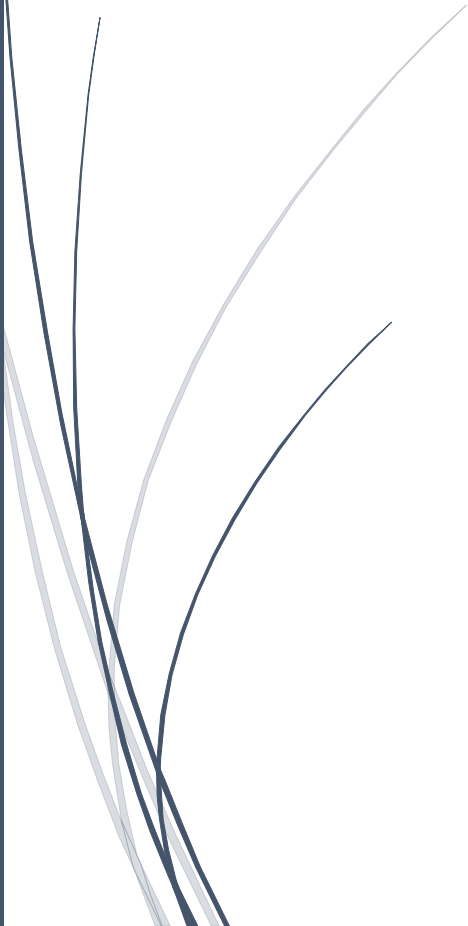


**NATIONAL TRANSPARENCY
AUTHORITY**



**NACAP IMPLEMENTATION
REPORT**

July 2019-December 2019



**Report on the Implementation of the
National Anti-Corruption Action Plan
(NACAP¹) 2018-2021
July - December 2019**

Introduction

The National Anti-Corruption Action Plan (hereinafter NACAP) is the first single framework for planning and monitoring the efforts for preventing and combating corruption as well as the national implementation tool of the European Semester priorities and the recommendations of the international organizations. Furthermore, its implementation consists a national commitment, ensuring the continuity of the European Stability Mechanism reforms.

Based on the evaluation reports of International Organizations (OECD, GRECO, UN) and the OECD's Technical Assistance, NACAP ensures the cooperation among competent authorities while promoting the active engagement of the private sector and of the civil society in the fight against corruption.

This report summarizes the progress of NACAP's implementation during the second semester of 2019 and is divided in 5 parts. In the first part, follows a brief presentation of the newly established National Transparency Authority (hereinafter NTA, or the Authority), successor of the General Secretariat

Against Corruption (GSAC) and competent authority for the drafting, monitoring and evaluation of NACAP, whereas the next four parts focus on the progress established regarding the implementation of NACAP's relative actions during the 2nd semester of 2019.

PART I	The establishment of the National Transparency Authority
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INSTITUTIONAL FRAMEWORK:

Pursuant to the provisions of articles 82-103 and 118-119 of Law 4622/2019 "Executive State: Organization, Operation and Transparency of the Government, the governmental institutions and the central public administration", the NTA was established in Greece as an Independent Authority with a robust anti-corruption mandate in order to:

- a) enhance integrity, transparency, and accountability in the action of public institutions
- b) prevent, detect, and combat cases of fraud and corruption in public and private bodies and organizations
- c) achieve measurable results in the fight against corruption, and
- d) raise citizen awareness regarding the fight against corruption.

SIGNIFICANCE: This is the first time a single and truly Independent Authority, granted with extended powers to enhance transparency and strengthen the fight against corruption, in line with international

¹
<http://www.gsac.gov.gr/index.php/el/ethniko-sxedio/ethniko-stratigiko-sxedio-kata-tis-diafthoras-2018-2021/ethniko-stratigiko-sxedio-kata-tis-diafthoras-2018-2024>

standards and best practices was established in Greece.

ORGANISATIONAL CHANGE: With the establishment of NTA six pre-existing entities have been abolished (namely: i. the General Secretariat Against Corruption; ii. the Body of Inspectors-Controllers of Public Administration; iii. The General Inspector of Public Administration; iv. The Body of Inspectors for Health and Welfare Services; v. the Inspectors Body for Public Works; vi. The Body of Inspectors-Controllers for Transports) with the Authority undertaking the entire range of the responsibilities, obligations, and rights previously exercised by them. The establishment of the NTA gives an end to overlapping competencies, coordination impediments, and fragmentation of audit bodies, while also aiming to foster integrity, standardize audit methodologies and tools, and restore public trust.

MISSION: The NTA's mission is to strengthen the national auditing framework and to invigorate integrity and accountability through designing strategies, implementing actions and coordinating efforts for the detection, prevention and deterrence of fraud and corruption while increasing the awareness of citizens and businesses regarding the impact of corruption on society and economy.

OPERATIONAL PILLARS: The NTA operates in line with the principles of control, accountability, integrity, and

transparency, and its actions are formulated around the following three key operational pillars:

- i. Detection and combat of fraud and corruption through performing inspections and audits.
- ii. Prevention and deterrence by developing integrity and accountability standards.
- iii. Awareness raising by promoting public trust to public institutions, educating the youth, and engaging citizens in the fight against corruption.

KEY COMPETENCIES: The Authority exercises its following powers:

- i. central planning and coordination of all actions aiming at enhancing transparency and accountability in the action of governmental and public bodies and institutions,
- ii. preventing, deterring, detecting, and combating corruption and fraud, and raising citizens' awareness in matters of transparency, integrity and the fight against corruption,
- iii. designing, monitoring, and evaluating the National Anti-Corruption Action Plan and revising the actions of the Action Plan adopted by the General Secretariat Against Corruption;²

² Greece adopted the first National Anti-Corruption Plan in March 2013. NACAP was updated in August 2015 by the General Secretariat Against Corruption. NTA's aim is to assess the design and implementation of NACAP's actions towards a more results-oriented approach, propose amendments in line with international and regional recommendations, and develop an updated

- iv. ordering, carrying out and monitoring of inspections, audits, and investigations,
- v. overall design and monitoring of the National Accountability System,
- vi. the development of methodologies and standards for the preparation of an impact assessment report on corruption,
- vii. the enhancement of transparency in the fields of entrepreneurship and competitiveness,
- viii. the provision of scientific support and technical assistance to public authorities,
- ix. the conduct of a preliminary inquiry following a prosecutorial order,
- x. the country's representation before international organizations in matters regarding the strengthening of accountability and the fight against fraud and corruption.

GOVERNANCE: The NTA is governed by its Management Board and its Governor.

SEAT: The NTA is situated in Athens with six regional offices operating in other large cities of Greece.

INDEPEDENCE: The NTA enjoys operational independence, administrative and financial autonomy and is not subject to control or supervision by any governmental or other administrative authority. The NTA is subject to parliamentary scrutiny.

multi-annual strategic plan and annual action plan.

RELATIONS WITH PARLIAMENT, JUDICIARY AND ADMINISTRATIVE AUTHORITIES:

The President and the Members of the Management Board as well as the Authority's Governor are obliged of giving evidence before the Parliament on issues relevant to the Authority's competencies or submit special reports to the Prime Minister and the Parliament Speaker. NTA cooperates with all the competent judicial, prosecutorial, and administrative authorities and bodies on the fight against corruption.

PART II	Sectoral prevention of Corruption
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The process of improving the mechanisms of asset recovery and management is well under way, after the issue of the Joint Ministerial Decision 58506/4-6-2019 through which a legislative committee was established to strengthen the institutional framework regarding the management of seized and confiscated assets. To this direction, NTA along with relevant stakeholders has also submitted a project proposal to the EEA Grants Financial Mechanism under the program "Good Governance, Accountable Institutions, Transparency".

(NACAP actions: 1.3.1-1.3.5)

The implementation of sectoral anti-corruption strategy in the field of public procurement is monitored through the submission of annual reports by the Hellenic Public Procurement Authority (HPPA-EAAΔΗΣΥ). In compliance with the obligations arising from the provisions on

good governance in the field of public procurement (Articles 340 et seq. of the Law 4412/2016), HPPA submitted to the EC the first Monitoring Report for the enhancement of transparency in the field of public procurements. In addition, Law 4601/2019, on the harmonization of the institutional framework with the provisions of the European Directive 2014/55, regulates the issue of electronic invoices (NACAP action: 2.1.1).

The implementation of the sectoral anti-corruption strategy in tax and customs administration is well under way. The Independent Authority for Public Revenues (IAPR-AAΔΕ) published a respective strategy for the 2019-2021 period. Progress monitoring takes place through IAPR's annual reports. The latter also include a distinct chapter on combating illicit trade (NACAP actions: 3.1.1-3.2.2).

Furthermore, NTA is receiving technical assistance in the effort to enhance integrity and raise public awareness in the areas of sports and environment with a relevant project having been launched in November 2019. The project is being implemented in cooperation with the United Nations Office on Drugs and Crime (UNODC), within the framework of the SRSP2 program of DG Reform of the EC (NACAP actions 6.1.1-7.2.2).

With the opportunity of the World Anti-Corruption Day (09.12.2019) NTA organized a one-day conference with the title "Technology for Transparency", with

the participation of elected officials, representatives of the academia, media, public administration and the private sector seeking to raise awareness mainly in the private sector on new ways to tackle corruption (NACAP action: 8.1.3).

In the framework of rationalising and simplifying the procedures for public and private investment programs, the interoperability between the Integrated Information System for NSRF (ΟΠΣ-ΕΣΠΑ) and the State Aid Information Systems (ΠΣΚΕ) was completed, covering the entire life cycle of co-financed projects. This project contributes significantly to the development of control valves regarding the co-financed state aid projects (NACAP action 8.3.2).

The enhancement of transparency in the political sector is further promoted through the:

- i. Update of the relevant legislative framework and the reinforcement of the Committee for auditing asset declaration ("pothen esxes"),
- ii. Ensured obligation of the IAPR to provide access to its databases to the competent authorities for auditing asset declarations (NACAP action: 9.1.3).

PART III	Integrity across public administration and the judiciary system
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Strengthening integrity across the public administration is promoted through the design and implementation of the National

Integrity System (NIS). NIS will provide an integrated set of actions aiming at the strengthening of security valves, the promotion of integrity and the prevention of corruption in administration. During the 2nd semester of 2019 NTA conducted a series of preparatory meetings with the Ministry of Interior and the National Center for Public Administration and Local Government (EKDDA-EKΔΔA), to specialize the NIS actions and develop a coherent action plan. The implementation of the NIS flagship actions, such as the regulation of lobbying and the specification of the regulatory framework regarding the conflict of interest for public officials have been included in the afore-mentioned project proposal submitted to the EEA Grants within the framework of the program "Good Governance, Accountable Institutions, Transparency" (NACAP actions 11.1.1-11.1.7).

In the meantime, the efforts for establishing an effective framework for whistleblowers protection are proceeding with a legislative committee being set up for the transposition of the European Directive 2019/1937 (NACAP action: 11.2.2).

The reinforcement of the Internal Audit System in public administration, is accelerated through the relevant provisions of Law 4622/2019, which introduce -inter alia- a structured control system, with the establishment of Internal Audit Units at a Directorate level in every Ministry. Furthermore, the Law clarifies the competencies of the Internal Audit Units

and puts an end to overlapping coordination, monitoring and evaluation competencies.

Support in implementing the actions of NACAP through which the Internal Audit System in public administration is being reinforced has been part of the technical assistance project for Administrative Reform in Greece, provided by Expertise France - in cooperation with the Structural Reform Support Service of the European Committee- (component 3.1 "Enhancing Transparency and Accountability"), with the NTA acting as the beneficiary of the respective actions. The program included the monitoring of the implementation of the internal audit system by local government authorities, in two phases (experimental and pilot) as well as the development of an internal audit manual, accompanied by templates and practical implementation guidelines, providing guidance and assistance to the local authorities and their internal auditors.

The project was completed and its final deliverable, the Internal Audit Manual, was submitted by AFETI in October 2019. The project's results were presented at a one-day conference organized by the NTA, on October the 25th: "The Internal Audit Contribution in Enhancing Effectiveness, Accountability and Transparency in Local Government" (NACAP actions 11.3.1-11.3.3).

Regarding the implementation of NACAP actions connected to the empowerment of integrity and efficiency across the judiciary system:

- i. Mapping of the existing procedures for the evaluation, selection, appointment and promotion of Judges and Prosecutors (NACAP action: 12.2.1),
- ii. Mapping of the existing Disciplinary Procedures for Judges and Prosecutors (NACAP action: 12.2.2) and
- iii. Revision of the Code of Conduct for Judges and Prosecutors (NACAP action: 12.2.5)

are being implemented in cooperation with the United Nations Office on Drugs and Crime (UNODC), within the framework of the SRSP2 program of DG Reform of the EC.

**PART
IV**

Strengthening cooperation and coordination across the public sector

Regarding the improvement of the cooperation model between judicial and tax administration in the fight against high-level tax evasion, the existing coordination procedure for tax crimes (Article 388 of Law 4512/2018) is evaluated as fully operational (NACAP action 13.1.2).

At the same time, the preparation of a legislative initiative for the enhancement of coordination between the competent authorities for combating tax evasion, corruption and financial crime is in progress. The coordination among the competent authorities is a national commitment, in the context of the country's Enhanced Surveillance Mechanism (NACAP Action 13.2.1).

Through the provisions of Law 4637/2019, the provisions of the Penal Code and the Code of Penal Procedure were amended, thus concluding an international commitment. The most important amendment introduced was the reconversion of active bribery from misdemeanor (according to the previous provisions) to felony, in accordance with the GRECO and the OECD Working Group on Bribery Recommendations (NACAP action: 13.2.4).

Seminars for civil servants on anti-corruption topics have been conducted by the National Center for Public Administration and Local Government (EKDDA), thus cultivating knowledge and improving public officials' skills on dealing with cases of fraud and corruption. Within 2019 EKDDA organized 49 training programs³ (corresponding to 10 program titles) related to corruption and fraud

³ Financial Audit: 4 programs, State aid: institutional framework, approval and audit procedures: 2 programs, State aid: introduction to the institutional framework, approval and audit procedures: 1 program, critical control points in public procurements and investment plans: 3 programs, public accounting - budget, audit, accounting of public legal entities: 10 programs, methodology and practices for carrying out management audits: 4 programs, legality and transparency in public administration and local government: 16 programs, special program for the certification of Auditors: 3 programs, fighting fraud and corruption in public administration: 4 programs, Structural and Investments Funds: Management and Control System for Combating Corruption and Fraud: 2 programs.

issues that were attended by 1003⁴ civil servants (101 officials attended the program "Fighting fraud and corruption in public administration" and 33 officials the program "Structural and Investments Funds: Management and Control System for Combating Corruption and Fraud"), (NACAP action 13.2.13).

Furthermore, the Finnish Institute of Public Administration (HAUS) carried out specialized training courses on specific issues concerning the combat of corruption and the conduct of targeted inspections and audits. 349 judicial and public officials were trained in specific techniques and tools to effectively deal with corruption and money laundering, in a total of 10 programs carried out across the country (NACAP action: 13.2.14).

The Hellenic Independent Authority on Combating the Legalization of Revenues from Criminal Activities and the Financing of Terrorism and on Auditing Asset

⁴ Financial Audit: 58 servants, State aid: institutional framework, approval and audit procedures: 39 officials, State aid: introduction to the institutional framework, approval and audit procedures: 15 officials, critical control points in public procurements and investment plans: 72 officials, public accounting - budget, audit, accounting of public legal entities: 220 officials, methodology and practices for carrying out management audits: 61 officials, legality and transparency in public administration and local government: 332 officials, special Program for the certification of Auditors: 72 officials, fighting fraud and corruption in public administration: 101 officials, Structural and Investments Funds: Management and Control System for Combating Corruption and Fraud: 33 officials.

Declarations publishes data on the number of tax cases referred to the public prosecutor's office, the total value of frozen assets related to tax evasion cases and the number of requests received by foreign counterparts⁵ (NACAP action: 13.3.2).

The strengthening of AFCOS coordinating role and the adoption of anti-fraud measures regarding the Structural Funds is supported through the SRSP2 technical assistance project (NACAP Actions: 13.4.1- 13.6.2).

Finally, NACAP objectives related to combating money laundering are effectively met, as:

- i. The Hellenic Independent Authority on Combating the Legalization of Revenues from Criminal Activities and the Financing of Terrorism and on Auditing Asset Declarations has full access to the IAPR, the Hellenic Police and the Judicial Authorities records.
- ii. The aforementioned Authority also publishes statistical data on the number of tax offenses that were referred to the public prosecutor's office, on the total value of confiscations regarding tax cases and on the number of requests received from other states abroad, on a monthly

⁵ www.hellenic-fiu.gr/images/stories/files/statistics/MONTHLY-GR-2019.pdf

basis⁶, while the IAPR includes relevant statistical data in its annual reports (NACAP action: 13.13.4).

- iii. In cases of suspicious transactions, all financial institutions are obliged to notify without delay the Bank Of Greece which in turn also notifies the aforementioned Authority (NACAP action 13.13.3).

PART V	Education and Raising Awareness
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The promotion of integrity programs across the educational system and the academic community will be implemented through the SRSP2 program (NACAP actions 14.1.1-14.1.3) while the surveys for measuring the effectiveness of anti-corruption policies will be conducted within the framework of the EEA program “Good Governance, Accountable Institutions, Transparency” (NACAP Action: 14.2.2).

Moreover, the National Transparency Authority in the context of raising public awareness and engaging citizens in the efforts of fighting corruption and enhancing integrity organized the one-day conference “Technology for Transparency”, mentioned earlier (NACAP action: 14.2.1).

⁶ www.hellenic-fi.u.gr/images/stories/files/statistics/MONTHLY-GR-2019.pdf