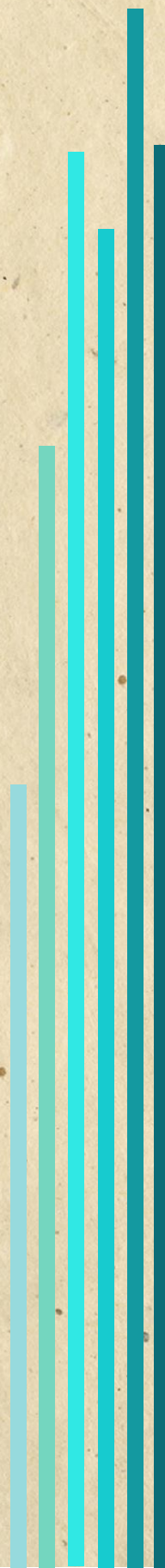




HELLENIC  
FISCAL  
COUNCIL

## 2024 End-Year Report



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## Table of Contents

<b>Foreword by the President of the Hellenic Fiscal Council .....</b>	<b>4</b>
<b>Part I: Institutional framework, mandate and administrative organization of the HFISC .....</b>	<b>6</b>
1. Management, structure and operation.....	6
2. Legislation and mandate .....	8
Box I: Key milestones in the operation and development of the HFISC .....	10
<b>Part II: The advisory and scientific work of the HFISC .....</b>	<b>12</b>
1. Regular semi-annual reports and opinions/evaluations .....	12
Box II: Key points of the HFISC's Reports and Opinions in 2024 .....	13
2. Macroeconomic projections and fiscal memos.....	18
3. Scientific publications and presentations at academic conferences .....	19
4. Technical Support Program from the European Commission .....	20
5. Scientific work in progress.....	21
<b>Part III: Outreach - Networking.....</b>	<b>22</b>
1. International relations.....	22
2. Collaboration with domestic agencies and academic institutions.....	24
3. Conferences, workshops and training seminars .....	25
<b>Part IV: Communication – Media .....</b>	<b>27</b>
1. Press releases .....	28
2. Public interventions by the President of the HFISC.....	28
<b>Part V: Administrative Support – Financial Management – IT .....</b>	<b>31</b>
1. Establishment of best administrative practices .....	31
2. Administrative Support: Human Resources – Training .....	32
3. Financial management .....	34
4. IT .....	35
<b>Annex I: CVs of the President and the Members of the Board of Directors of the HFISC...</b>	<b>37</b>
<b>Annex II: Working papers of the Hellenic Fiscal Council .....</b>	<b>40</b>
<b>Annex III: Articles by the President of the HFISC published in Sunday newspapers .....</b>	<b>42</b>

## Abbreviations

<b>AUEB</b>	Athens University of Economics and Business
<b>BoD</b>	Board of Directors
<b>DG ECFIN</b>	Directorate-General for Economic and Financial Affairs
<b>DGFS</b>	Directorate-General for Financial Services
<b>DSA</b>	Debt Sustainability Analysis
<b>EFB</b>	European Fiscal Board
<b>EFC</b>	Economic and Financial Committee
<b>ELSTAT</b>	Hellenic Statistical Authority
<b>EU</b>	European Union
<b>FGD</b>	Fiscal Governance Database
<b>GAO</b>	General Accounting Office
<b>GDP</b>	Gross Domestic Product
<b>GG</b>	General Government
<b>HFISC</b>	Hellenic Fiscal Council
<b>IAPR</b>	Independent Authority of Public Revenue
<b>MinFin</b>	Ministry of Economy and Finance
<b>MTFSF</b>	Medium-term Fiscal Strategy Framework
<b>MTFSP</b>	Medium-term Fiscal Structural Plan
<b>NKUA</b>	National and Kapodistrian University of Athens
<b>OECD</b>	Organization for Economic Co-operation and Development
<b>PDMA</b>	Public Debt Management Agency
<b>PDSB</b>	Preliminary Draft State Budget
<b>SB</b>	State Budget
<b>SGP</b>	Stability and Growth Pact
<b>SP</b>	Stability Program
<b>TSI</b>	Technical Support Instrument



## Foreword by the President of the Hellenic Fiscal Council



The year 2024 was a challenging one for the global economy. Households, businesses and civil society faced mounting pressures in an environment of international uncertainty. Developments in global trade, as well as the ongoing conflicts in Ukraine and the Middle East, have profoundly affected economic and social balances. In this context, the European Union has revised its economic framework, introducing new fiscal rules and strengthening independent institutions.

At the Hellenic Fiscal Council, we systematically monitored the developments of the Greek economy and fiscal figures within this fluid environment. Through analyses grounded in documented evidence and specialized tools, we formulated proposals aimed at fiscal awakening and at strengthening the credibility of the economy. Accordingly, our annual Activity Report for 2024 focuses on the theme of "credibility" and demonstrates how our (rigorously) empirical research can substantially contribute to addressing the macroeconomic and fiscal challenges of our time.

Faithful to our institutional role in promoting transparency and informing citizens about sustainable fiscal policy, we welcomed students from Greek universities and engaged with the general public through the publication of articles and our public presence.

Of particular importance was the entry into force, in April 2024, of Regulation (EU) 2024/1263 and the revised Directive 2011/85/EU (2024/1265). The Hellenic Fiscal Council was among the first independent bodies in the EU to contribute, through its "Opinion", to the credibility of the macroeconomic and fiscal scenario for the National Medium-Term Fiscal Structural Plan 2025-2028.

In the context of aligning the national fiscal framework with the new European rules, the HFISC participated in the national working group of the Ministry of Economy and Finance, submitting substantive observations on key issues such as strengthening of independence, access to information, available resources and communication strategy of independent institutions.

At the same time, we took the initiative to establish cooperation with the fiscal councils of seven other EU countries, as part of the EU Technical Support Instrument (TSI). Its objective is to strengthen our technical capacities along four key pillars: development of macro-econometric models, debt sustainability analysis (DSA), strategic planning and enhancement of our communication presence.

The international outreach of the Council was significantly reinforced in 2024, through our participation in the European Network of Independent Fiscal Institutions and our cooperation with international organizations, such as the OECD. At the same time, we strengthened our public profile by participating in conferences, workshops, and other fora.

In this period of ongoing intense challenges and geopolitical uncertainty for the Greek economy, the HFISC continues its mission as an independent fiscal institution in a spirit of responsibility and credibility. Our goal remains the preservation of fiscal consistency, transparency and stability of the country's public finances, within the framework of the new European economic governance.

With vision and dedication, we support the sustainability and resilience of the Greek economy, systematically monitoring international developments and consistently reinforcing social accountability as a cornerstone of institutional trust.

**The President of the Hellenic Fiscal Council**  
**Anastasia Miaouli**

## Part I: Institutional framework, mandate and administrative organization of the HFISC

The Hellenic Fiscal Council is an Independent Administrative Authority established by Law 4270/2014 in the context of the transposition into the Greek legal order of Directive 2011/85/EU on requirements for the fiscal frameworks of the Member States of the European Union. The HFISC enjoys operational independence and is not subject to control by state bodies. It is represented in court and out of court by its President. The President, the members of the Board of Directors and the staff of the HFISC, in the performance of their duties, do not receive instructions from any governmental body or other public or private organization. The first Board of Directors of the Institution was appointed in November 2015 and the productive operation of the service began in about mid-2016<sup>1</sup>.

### 1. Management, structure and operation

The Board of Directors of the HFISC consists of the President and four regular members. The President is full-time and exclusive employment. For the members of the Fiscal Council who are not full-time and exclusive, it is not incompatible to be University Professors, with a full-time or part-time status. The members of the Fiscal Council have an obligation to maintain confidentiality.

The President and the members of the Board of Directors are persons of recognized standing, scientific expertise and professional experience in fields related to the responsibilities of the HFISC, especially in the areas of economics or public finance. International experience in these areas is also taken into account. Specifically, candidates must have:

- a) a degree in economics from a university or equivalent qualification from domestic or foreign schools of a corresponding specialty;
- b) a doctoral degree from a Greek university or a recognized foreign equivalent, which proves scientific specialization in subjects relevant to the purpose of the Fiscal Council,
- c) professional experience (in subjects relevant to the purpose of the Fiscal Council) of at least fifteen (15) years and
- d) excellent knowledge of at least one foreign language.

The selection process of the Chairman and the members of the Board of Directors is based on an open competition. A committee consisting of the Minister of National Economy and Finance, the Governor of the Bank of Greece and the President of the Court of Auditors draws up a list of the shortlisted candidates, based on

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<sup>1</sup> See Box I for the main milestones in the development and operation of the HFISC.

predetermined and objective criteria. The Council of Ministers then selects the President and the members of the Board of Directors among the above proposed and is followed by approval by the Special Standing Committee on Institutions and Transparency of the Greek Parliament. The Board of Directors selected on the basis of the above-mentioned procedure is appointed by decision of the Minister of National Economy and Finance for a non-renewable term of five years.

It should be noted that a person who is or has been a member of the Hellenic Parliament, the European Parliament, the Government or the executive bodies of a political party cannot be appointed as President or member of the BoD. Exceptionally, up to two members of the Board of Directors may be appointed by persons who had one of the above qualities if, at the time of their appointment, four years have elapsed since they ceased to hold any of the aforementioned capacities.

The composition of the Board of Directors<sup>2</sup> for the year 2024 was as follows<sup>3</sup>:

- Anastasia Miaouli, President, Professor Emeritus AUEB
- Dimitrios Kenourgios, Member of the BoD and Deputy President, Professor at the University of Athens
- Nikolaos Tatsos, Member of the BoD, former Professor of Panteion University
- Apostolos Filippopoulos, Member of the BoD, Professor Emeritus AUEB
- Emmanouil Mamatzakis, Member of the BoD, Professor at the University of London

The Board of Directors is the highest decision-making body of the Fiscal Council and is responsible for the fulfilment of the mandate of the HFISC. In particular, each report of the HFISC is discussed and approved by the Board of Directors prior to its publication or adoption.

The services of the Fiscal Council are organized into two departments as follows: a) Administrative Support Department and b) Research Department.

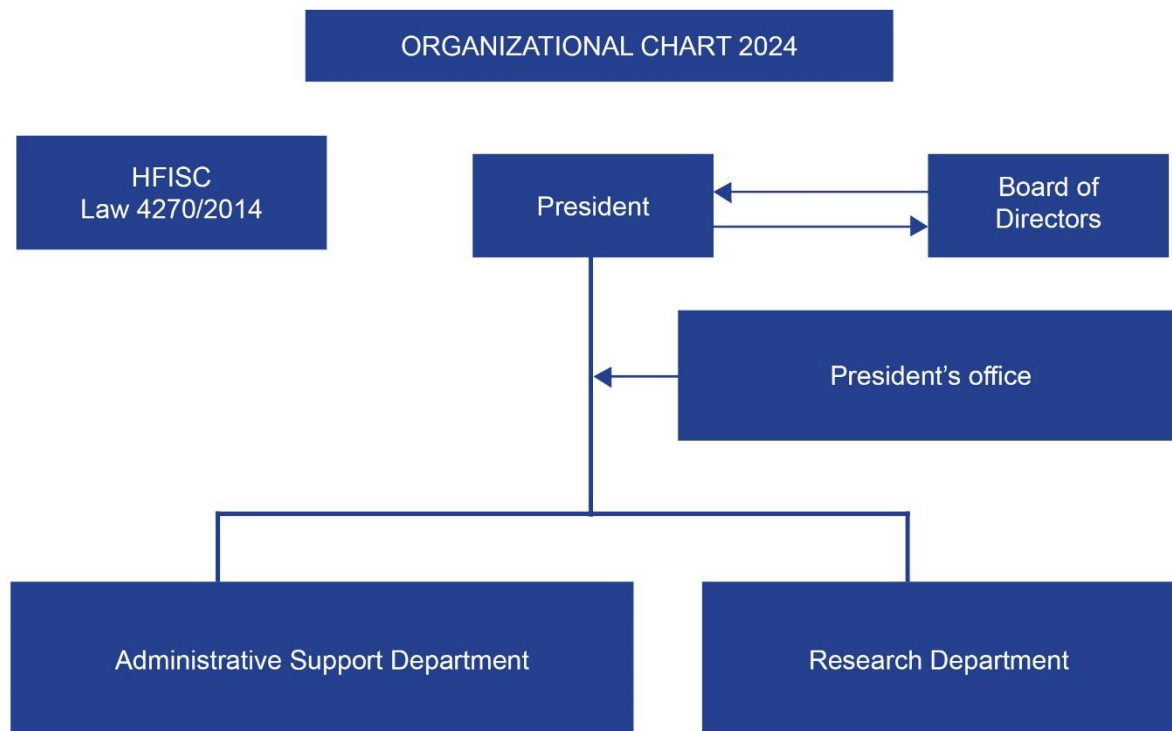
The responsibilities of the Administrative Support Department include human resources, financial management, procurement and IT issues. On the other hand, the task of the Department of Research is to provide scientific support to the Board of Directors in the fulfillment of its responsibilities as defined in the founding law of the HFISC.

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<sup>2</sup> Appointment decisions no. 33972EX2022/14.03.2022 (Government Gazette YODD 177/14.03.2022) and no. 11287EX2020/30.01.2020 (Government Gazette YODD 66/31.01.2020).

<sup>3</sup> The CVs of the Chairman and the members of the Board of Directors are attached in Annex I of this activity report.





For the staffing of the services of the HFISC, 20 positions have been established, which are divided into 9 positions of Specialized Scientific Staff, 5 positions of Scientific Personnel and 6 positions of administrative employees, i.e. up to 5 positions in the Administrative or Administrative-Financial sectors and at least 1 position in the IT sector.

At the end of 2024, the total staff of the institution amounted to 13 people, of which 5 were serving on secondment to other institutions. The educational level of the staff is particularly high as the vast majority of employees hold postgraduate degrees, while 4 people also hold a PhD in economics.

The internal operation of the HFISC is governed by the Internal Rules of Procedure<sup>4</sup>, the Financial Management Regulation<sup>5</sup> and the Code of Conduct<sup>6</sup>.

## 2. Legislation and mandate

The responsibilities of the HFISC, as defined in its founding law (Article 2 of Law 4270/2014<sup>7</sup>), mainly include the assessment of the macroeconomic and fiscal projections on which the Preliminary Draft/Draft Budget and the Medium-Term Fiscal

<sup>4</sup> [https://www.hfisc.gr/sites/default/files/eswterikos\\_kanonismos\\_leitourgias.pdf](https://www.hfisc.gr/sites/default/files/eswterikos_kanonismos_leitourgias.pdf)

<sup>5</sup> [https://www.hfisc.gr/sites/default/files/kanonismos\\_oikonomikhs\\_diaxeirishs.pdf](https://www.hfisc.gr/sites/default/files/kanonismos_oikonomikhs_diaxeirishs.pdf)

<sup>6</sup> [https://www.hfisc.gr/sites/default/files/kodikas\\_deontologias.pdf](https://www.hfisc.gr/sites/default/files/kodikas_deontologias.pdf)

<sup>7</sup> <https://www.hfisc.gr/en/legislation>

Strategy Framework (MTFSF) are based, as well as the monitoring of the implementation of the Budget and compliance with national and European fiscal rules and with the limits provided for in the Fiscal Compact.

In particular, according to paragraph 4 of article 42 of Law 4270/2014, the MTFSF and the draft of the annual State Budget are based on macroeconomic projections evaluated by the Fiscal Council, with a view to their endorsement. The explanatory report of the MTFSF and the introductory report of the annual State Budget indicate whether the macroeconomic and fiscal projections, on which they are based, have been endorsed by the Fiscal Council.

Furthermore, in accordance with paragraph 2 of article 58 of Law 4270/2014, the macroeconomic projections included in the summary introductory report of the preliminary draft of the annual State Budget, are evaluated in a timely manner by the Fiscal Council, in accordance with the procedures and timetable set out in the Memorandum of Understanding between the Fiscal Council and the Ministry of Economy and Finance. The endorsement of the macroeconomic projections is announced on the Council's website.

In addition, the confirmation by the Fiscal Council that the summary introductory report of the preliminary draft of the annual State Budget complies with the limits provided for in the Fiscal Compact of article three of Law 4063/2012 is a prerequisite for the submission of the preliminary draft.

It is also noted that the HFISC has recently been assigned the responsibility for costing the election programs of the political parties (Article 48 of Law 5045/2023).

With regard to the relevant European legislative framework, it should be noted that on 30 April 2024 the new revised fiscal rules of the European Union entered into force. In particular, Regulation (EU) 2024/1263<sup>8</sup> on effective coordination of economic policies and on multilateral fiscal surveillance, which replaced Regulation 1466/1997, was published in the Official Journal of the European Union. Regulation (EU) 2024/1264 was adopted<sup>9</sup>, which amended Regulation 1467/97 to speed up and clarify the application of the excessive deficit procedure. Finally, Directive (EU) 2024/1265 was adopted<sup>10</sup> amending Directive 2011/85/EU on requirements for the fiscal frameworks of the Member States. At national level, a relevant Working Group has been set up by the competent Ministry of Economy and Finance, with the participation of a representative of the HFISC, for the adaptation of the domestic institutional framework to the new European requirements<sup>11</sup>.

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<sup>8</sup> [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L\\_202401263](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202401263)

<sup>9</sup> [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L\\_202401264](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202401264)

<sup>10</sup> [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L\\_202401265](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202401265)

<sup>11</sup> See Part III, Section 2 on cooperation with the Ministry of National Economy and Finance and the establishment of this working group.

In order to fulfil its above responsibilities, the HFISC may request any necessary information from any public sector body or other person who receives a grant, loan or guarantee from the State, especially from those with whom it has a stable exchange of information (Article 11 of Law 4270/2014). The institution or individual must provide the relevant information to the HFISC when requested. Without prejudice to specific laws establishing an obligation of confidentiality, all public authorities and legal entities governed by public law are obliged to provide information and assist the HFISC in the performance of its duties.

Finally, it should be noted that the Fiscal Council submits to the Parliament, within six (6) months from the end of each financial year, an annual report on its activities during the relevant year, together with the audited financial statements, and publishes them on its website (article 13, paragraph 5 of Law 4270/2014).

#### **Box I: Key milestones in the operation and development of the HFISC**

**2014:** Establishment of the HFISC by Law 4270/2014.

**2015:** Appointment of the first Board of Directors in November 2015.

**2016:** Commencement of the productive operation of the institution. The first semi-annual report of the institution is published in November 2016. The Financial Management Regulation of the HFISC is issued.

**2017:** The founding law of the institution is amended (articles 66 and 67 of Law 4472/2017) and the responsibility of monitoring compliance with the limits included in the Fiscal Compact is assigned to the HFISC. The Internal Rules of Procedure of the HFISC are issued.

**2018:** The Code of Conduct of the HFISC is issued.

**2019:** Establishment and formation of the Agency's Service Council.

**2020:** Successful operation and exercise of the agency's responsibilities during the COVID-19 pandemic.

**2021:** External audit of the HFISC by the Greek Court of Auditors.

**2022:** Appointment of the second Board of Directors of the agency. Inclusion of the HFISC in the European Commission's Technical Support Program (SG Reform).

**2023:** Law 5045/2023 (Article 48) assigns to the HFISC the responsibility of costing the election programs of the political parties.

**2024:** The new legislative texts governing economic governance in the European Union have been published (Regulations 1263/29.04.2024 and 1264/29.04.2024 and Directive 1265/29.04.2024). The HFISC participated in the national working group of

the Ministry of National Economy and Finance for the adaptation of national law to these texts.

## Part II: The advisory and scientific work of the HFISC

During 2024, the Research Department of the HFISC responded to the submission of the regular reports and opinions stipulated by the founding law of the institution (Law 4270/2014). In this context, internal memos were drafted, necessary for documenting specific issues, in particularly regarding macroeconomic forecasts and the monitoring of fiscal outcomes. Also, in the context of the development of the scientific work of the institution, members of the Board and executives of the Research Department presented their work at scientific conferences and published working papers and articles in scientific journals. Finally, 2024 was the year of the substantial launch of the European Commission's technical support program (SG Reform) with the aim of upgrading the technical capabilities of the Authority.

### 1. Regular semi-annual reports and opinions/evaluations

As regards the regular semi-annual reports, the Spring Report of the HFISC was published in June 2024<sup>12</sup> and the Autumn Report in December<sup>13</sup>.

In addition, the HFISC issued the following opinions:

- (i) Opinion on the macroeconomic projections of the Stability Program 2024 (April 2024)<sup>14</sup>, which has been included as an Annex to that text.
- ii) Opinion on the Medium-Term Fiscal-Structural Plan 2024 (September 2024)<sup>15</sup>, annexed as Annex III to that plan.
- iii) Opinion on the macroeconomic projections of the Preliminary Draft State Budget 2025 (October 2024)<sup>16</sup>, which was annexed as Annex III to that preliminary draft.
- iv) Opinion on the Draft Annual State Budget for the year 2025 (November 2024)<sup>17</sup>. In the relevant introductory report, reference is made to this opinion of the HFISC.

In addition, due to extraordinary circumstances, two supplementary state budgets were voted during 2024 with which an increase in appropriations for the 2024 State Budget was approved. The HFISC published a relevant opinion before the vote of each supplementary budget, i.e. in September<sup>18</sup> and November 2024<sup>19</sup>, in accordance with the provisions of article 2 par.5c of Law 4270/2014.

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<sup>12</sup> [https://www.hfisc.gr/sites/default/files/introduction\\_hfisc\\_2024\\_spring\\_bi-annual\\_report.pdf](https://www.hfisc.gr/sites/default/files/introduction_hfisc_2024_spring_bi-annual_report.pdf)

<sup>13</sup> [https://www.hfisc.gr/sites/default/files/fthinoporini\\_ekthesi\\_2024\\_-18122024.pdf](https://www.hfisc.gr/sites/default/files/fthinoporini_ekthesi_2024_-18122024.pdf)

<sup>14</sup> [https://www.hfisc.gr/sites/default/files/hfisc\\_opinion\\_-\\_sp\\_2024.pdf](https://www.hfisc.gr/sites/default/files/hfisc_opinion_-_sp_2024.pdf)

<sup>15</sup> [https://www.hfisc.gr/sites/default/files/2024\\_09\\_25\\_hfisc\\_opinion\\_mtp\\_2024.pdf](https://www.hfisc.gr/sites/default/files/2024_09_25_hfisc_opinion_mtp_2024.pdf)

<sup>16</sup> [https://www.hfisc.gr/sites/default/files/hfisc\\_opinion\\_dbp\\_2025.pdf](https://www.hfisc.gr/sites/default/files/hfisc_opinion_dbp_2025.pdf)

<sup>17</sup> [https://www.hfisc.gr/sites/default/files/epistoli\\_edes\\_kp\\_2025.pdf](https://www.hfisc.gr/sites/default/files/epistoli_edes_kp_2025.pdf)

<sup>18</sup> [https://www.hfisc.gr/sites/default/files/gnomi\\_skp2024\\_septemvrios.pdf](https://www.hfisc.gr/sites/default/files/gnomi_skp2024_septemvrios.pdf)

<sup>19</sup> [https://www.hfisc.gr/sites/default/files/2024\\_09\\_25\\_edes\\_gnomi\\_mds\\_2024.pdf](https://www.hfisc.gr/sites/default/files/2024_09_25_edes_gnomi_mds_2024.pdf)



## Box II: Key points of the HFISC's Reports and Opinions in 2024

### Stability Program Opinion (April 2024)

The HFISC, as an independent fiscal institution, in accordance with Regulation 473/2013 of the European Parliament and of the Council of the European Union (EU) on the budgetary plans of the euro area Member States, delivered its opinion on the macroeconomic projections of the Stability Program in April 2024.

In particular, according to this opinion, the macroeconomic scenario of the 2024 Budget is consistent with the corresponding ones of the 2023 Budget and the 2024 Budget. The increase in gross fixed capital formation with the significant contribution from the Recovery and Resilience Fund play a primary role in the expected GDP growth for 2024 and 2025. In addition, the possible de-escalation of ECB interest rates, the further upgrade of Greece's credit rating by foreign rating agencies, the completion of the banking system consolidation and the exploitation of the high deposit stock create auspicious prospects for the implementation of the macroeconomic scenario.

On the other hand, challenges to the implementation of the macroeconomic scenario may exist due to increased uncertainty, related to the longer-than-expected sustainment of inflationary pressures, exogenous shocks to the economy due to geopolitical tensions, as well as to the new rules of the European fiscal governance framework recently adopted in the EU.

In light of the above, the Hellenic Fiscal Council endorsed the macroeconomic projections of the 2024 Stability Program.

### Spring Report (June 2024)

The 2024 Spring Report of the HFISC focused on the assessment of the economic developments in 2023, as well as the estimates for their evolution in 2024.

Specifically, according to this report, the Greek economy for 2023 recorded a positive performance with real GDP growing by 2%, significantly higher than the average of the Eurozone countries which stood at 0.5%. This increase in GDP was mainly based on the positive change in private consumption by 1.8%. An additional positive contribution was made by the increase in gross fixed capital formation by 4% and public consumption by 1.7%.

For 2024, the economy is expected to maintain its growth momentum with GDP growth estimated at 2.5%. Most estimates for the change in Greek GDP in 2024 lie within the range of 2.0% to 2.5%. At the same time, the Eurozone appears to be

moving out of the recession scenario, recording real GDP growth of 0.4% year-on-year in the first quarter of 2024, and 0.3% compared to the fourth quarter of 2023.

As far as the labor market is concerned, the unemployment rate in the fourth quarter of 2023 stood at 10.6%, continuing the downward trend of the last decade. Accordingly, employment in the fourth quarter of 2023 increased by 1.2% compared to the corresponding period in 2022. In the price field, there was a gradual de-escalation of inflation, mainly due to reductions in the prices of energy goods. In the external sector, an improvement was recorded in the current account balance in 2023, with the relevant deficit being limited by €7.3 billion compared to 2022 (-34%). As a percentage of GDP, this change implies a reduction in the current account deficit from 10.3% of GDP in 2022 to 6.3% of GDP in 2023.

The macroeconomic projections for 2024 are subject to uncertainties, with ongoing geopolitical tensions continuing to be a major risk factor for both growth and inflation in the euro area. Despite the de-escalation, food and service inflation remains a factor of uncertainty and policies to address it need to be strengthened. In addition, for the successful implementation of the forecast for Greek GDP growth of 2.5%, the full and effective utilization of the resources of the Recovery and Resilience Fund and the continuation of reforms aimed at strengthening the competitiveness of the Greek economy are of key importance.

In the fiscal field in 2023, the budget recorded a primary surplus of 1.9% of GDP, an improved performance both compared to the previous year and the target set in November in the introductory report of the state budget (0.7% of GDP). For 2024, the budget execution in the first quarter is on target with the primary surplus of the General Government exceeding 0.8% of GDP on a cash basis.

With regard to debt, in 2023 the public debt-to-GDP ratio recorded a further decrease of 10.8 percentage points and stood at 161.9%. In the period 2021-2023, the cumulative reduction of public debt as a percentage of GDP is estimated at approximately 44 percentage points.

Finally, with regard to the fiscal targets for 2024, a further reduction of the deficit is expected in the General Government Balance, which is estimated to be 1.1% of GDP and a corresponding improvement in the primary surplus, which is estimated to be 2.1% of GDP.

In conclusion, although the course of the Greek economy is clearly better than the Eurozone and EU average for 2023 and growth is expected to continue in 2024, fiscal vigilance is required for all the coming years. The achievement of fiscal surpluses from now on, described in the new economic governance framework, is necessary both because of the geopolitical and economic uncertainty internationally, and because of our country's obligations to the European institutions for the gradual repayment of the Memorandum loans, especially from 2026 onwards.

### **Opinion on the Medium-Term Fiscal-Structural Plan (September 2024)**

The HFISC, as an independent fiscal institution in accordance with Law 4270/2014, assesses, for the purpose of endorsing the macroeconomic projections and assumptions, on which the multi-year course of net expenditure of the Medium-Term Fiscal-Structural Plan 2024 (MTFSP 2024) is based, as defined in Regulations 2024/1263 (Article 11 par. 2) and 473/2013 (Article 4 par. 4) of the European Parliament and of the Council of the European Union (EU).

This is the first opinion under the EU's new economic governance framework, which entered into force on 30 April 2024, on Greece's MTFSP. The new framework is based on a country-specific risk analysis, ensuring a continuous and reasonable reduction of the debt-to-GDP ratio. Net primary expenditure is now the only functional variable for monitoring the country's fiscal situation, always in compliance with the EU's Stability and Growth Pact rules on the 3% and 60% of GDP reference values for deficit and debt, respectively.

Specifically, according to this opinion, the macroeconomic forecasts of the Ministry of Economy and Finance, on which the medium-term plan is based, for the real GDP growth rate for the years 2024 (2.2%) and 2025 (2.3%), are within the range of the HFISC's forecasts.

According to the macroeconomic scenario underpinning the 2024 MTFSP, the main drivers of growth for 2024 and 2025 are investment, supported by National Recovery and Resilience Plan (RRP) funds, and the maintained momentum of private consumption, due to favorable labor market conditions.

Following the achievement of a fiscal surplus of 1.9% compared to a target of 1.1% in 2023, the prudent fiscal policy for the coming years 2025-2028 is expected to continue, in order to ensure a satisfactory rate of government debt reduction. In addition, the acceleration of reforms to boost investment and reform the tax system and the further upgrade of Greece's credit rating by international rating agencies are factors that will benefit GDP growth and debt reduction.

On the basis of the above, the HFISC approved the macroeconomic projections and assumptions underlying the multiannual path of net expenditure of the Medium-Term Fiscal-Structural Plan 2024.

### **Opinion on the Preliminary Draft State Budget 2025 (October 2024)**

The HFISC, as an independent fiscal institution in accordance with Law 4270/2014, assesses the macroeconomic projections, on which the Preliminary Draft State Budget 2025 (PDSB 2025) is based, and ascertains compliance with the fiscal rules. It is noted

that this is the first opinion on the country's annual fiscal planning within the EU's new economic governance framework, which entered into force on 30 April 2024.

In particular, according to this opinion, the macroeconomic projections on which the PDSB 2025 is based are aligned with those of the Ministry of Economy and Finance medium-term planning. With regard to the HFISC's determination of the compliance of the 2025 PDSB with the fiscal rules of the SGP, it is noted that the 3% of GDP deficit reference value, which is expected to rise from 1% of GDP this year to 0.6% of GDP in 2025, as well as a reasonable and sustained reduction of the debt-to-GDP ratio by 4.6 percentage points, is ensured. In addition, the nominal increase in net primary expenditure for 2024 is estimated to continue to be in full compliance with the Council Recommendation (2.6% increase ceiling). For 2025, net primary expenditure growth is expected to be 3.7%, in line with the fiscal commitments reflected in the 2025-2028 MTFSP.

Addressing both macroeconomic and fiscal challenges, a number of factors are involved, such as: (a) the recovery of investment grade and the improved outlook of the extroversion of the Greek economy may lead to an even stronger interest in Greek securities and investment plans, (b) a higher growth momentum of the economy following an acceleration of the implementation of European programs and structural reforms in the markets goods and services as well as the labor market, (c) the faster-than-expected decline in inflation and ECB interest rates, with beneficial effects on borrowing costs, market confidence and ultimately growth.

On the basis of the above, the HFISC endorsed the macroeconomic projections on which the Preliminary Draft State Budget 2025 is based and found that the fiscal figures comply with the rules of the new European Economic Governance Framework.

### **Draft State Budget Opinion 2025 (November 2024)**

The HFISC, in accordance with Article 2, par.4 & 5, and Article 42, par.4 of Law 4270/2014, as well as Article 2, par.1 (a), article 4, par. 4 and Article 5 of Regulation (EU) 473/2013, assesses, as an independent fiscal institution, the macroeconomic and fiscal forecasts (within the meaning of paragraph 6 of Article 4 of Directive 2011/85/EU) on which the Draft Annual State Budget (SB) 2025 is based and ascertains compliance with the fiscal rules.

In particular, according to this opinion, the implementation of the 2024 Budget so far, the recent revision of ELSTAT data, as well as the EU's autumn forecasts paint a consistent picture of the fiscal figures of the 2025 SB, compared to what was presented in the 2025-2028 MTFSP and the 2025 PDSB, namely a primary surplus of 2.5% of GDP for 2024 (compared to 2.1% in the 2024 SB) and 2.4% of GDP for 2025.

In line with the fiscal commitments, reflected in the 2025 Budget, the 3% of GDP reference value for the General Government deficit is maintained, which is expected to improve for 2024 (0.7% of GDP from 1% in October 2024 and 1.1% in November 2023) and the forecast for 2025 (0.6% of GDP) remains stable. The reasonable and continuous reduction of the debt-to-GDP ratio by 9.9 percentage points for 2024 and 6.5 for 2025 is reflected. Finally, the nominal increase in net primary expenditure for 2024 is estimated to continue to be in full compliance with the Council Recommendation (2.6% increase ceiling), and for 2025 it is expected not to exceed the 3.7% threshold.

Taking into account the above, the Hellenic Fiscal Council approved the macroeconomic and fiscal projections of the 2025 State Budget, as they fall within a range of acceptable values, and found compliance with the fiscal rules.

### **Autumn Report (December 2024)**

The HFISC's Autumn Report analyzed macroeconomic and fiscal developments over the course of 2024 up to the time of its issuance.

Specifically, according to this report, real GDP grew by 2.3% year-on-year in the second quarter of the year, more than double the corresponding rate of the euro area (0.9%). As a result, the overall increase for the first half of the year stood at 2.2%. This positive performance is mainly due to the growth of private consumption, which increased by 2.2% in the first half of the year, and the resources from the Recovery and Resilience Fund, with a positive impact on gross fixed capital formation.

The development of employment is also positive, which increased by 1.6% in September 2024 compared to the same period last year. Accordingly, the unemployment rate fell to 9.3%, which is the lowest level in the last 15 years.

In the field of inflation, the situation has improved with a gradual but limited de-escalation. Inflation in October 2024 stood at 3.1%, while the corresponding rate in the Eurozone was 2%. A point that needs attention is that inflation in Greece seems to acquire more endogenous characteristics, being less affected by the prices of imported products and especially energy. This is why core inflation in Greece stood at 4.3% in October, significantly higher than headline inflation.

In the external sector, the current account deficit in the eight-month period January-August 2024 worsened by almost €1 billion compared to the corresponding period last year, reaching 7.35 billion euros.

Among the most important macroeconomic risks are geopolitical tensions due to the war conflicts in Ukraine and the Middle East. In addition, the economic slowdown or stagnation, recorded by European economies, constitutes a significant uncertainty for the evolution of macroeconomic indicators in Greece.



On the budgetary side, the implementation of the budget for the period January-September 2024 is within targets. The primary cash surplus of the GDP as a percentage of GDP during the same period (3.54% of GDP) far exceeds the target (2.5% of GDP), as set by the introductory report of the 2025 Budget for the year 2024. The achievement of the target for a primary surplus of 2.5% of GDP, which has been set by the introductory report of the 2025 Budget for the year 2024, is considered feasible, while a possible overshoot is not excluded. It should be noted that this forecast of the HFISC for exceeding the fiscal target was fully confirmed, as the primary surplus for 2024 stood at 4.8% of GDP according to ELSTAT's final figures.

Regarding public debt, it recorded a further decrease of 9.9 percentage points in 2024 and its ratio to GDP is expected to stand at 154%.

For 2025, a further reduction of the deficit in the General Government balance (0.6% of GDP) and a continuation of primary surpluses (2.4% of GDP) is foreseen.

## 2. Macroeconomic projections and fiscal memos

### A. Macroeconomic projections

In order to fulfil the agency's mission regarding the assessment and adoption of the macroeconomic projections on which the preliminary draft and the draft State Budget, the Medium-Term Fiscal Strategy Framework and the Stability Program are based, the HFISC has developed a number of relevant econometric models.

Specifically, forecasts are made for the evolution of Greek GDP using:

- i) The Dynamic Factor Model<sup>20</sup> which concerns short-term forecasts (one to two quarters ahead);
- (ii) The MIDAS (Mixed-Data Sampling) model, which also concerns short-term forecasts, and
- (iii) The Vector Error Correction Model<sup>21</sup> which concerns medium-term projections (one to two years ahead).

At the same time, the database is updated every quarter with data on changes in real GDP with regard to the forecasts of the HFISC and the Ministry of Economy & Finance, in order to evaluate these macroeconomic forecasts in terms of the final realizations (ELSTAT).

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<sup>20</sup> [https://www.hfisc.gr/sites/default/files/vrahyhronies\\_provlepseis\\_toy\\_pragmatikoy\\_aep\\_0.pdf](https://www.hfisc.gr/sites/default/files/vrahyhronies_provlepseis_toy_pragmatikoy_aep_0.pdf)

<sup>21</sup> [https://www.hfisc.gr/sites/default/files/dianysmatiko\\_ypodeigma\\_diorthosis\\_lathon\\_gia\\_tin\\_elliniki\\_oikonomia.pdf](https://www.hfisc.gr/sites/default/files/dianysmatiko_ypodeigma_diorthosis_lathon_gia_tin_elliniki_oikonomia.pdf)

## B. Fiscal memos

Regarding the monitoring of fiscal developments, during 2024 six internal briefing notes (bi-monthly) were drafted regarding the cash-based execution of the State Budget and the General Government budget. These notes monitored whether the budget was being executed within the fiscal target of the Introductory Report of the State Budget and, in fact, identified the possibility of a positive overperformance, which was ultimately achieved.

## 3. Scientific publications and presentations at academic conferences

The HFISC encourages the scientific research of its members and executives on issues related to the competences of the institution. In this context, it is, as far as we know, the only Independent Authority in Greece that has created its own series of working papers<sup>22</sup>, while at the same time encouraging publications in international scientific journals and presentations at academic conferences.

Specifically, in 2024, the following research activities took place:

- Publication of an academic paper entitled: *"Do the Interest Rates Really Relate to Economic Growth? The Case of Greece"*<sup>23</sup> in the collective volume *Economic Recessions - Navigating Economies in a Volatile World and the Path for Economic Resilience and Development* by D. Dimitriou, member of the Research Department of HFISC and D. Kenourgios, member of the Board of Directors of HFISC (co-authors Al. Tsioutsios and Th. Simos).
- Publication of a working paper in the HFISC working papers series entitled: *"Dynamic panel analysis of the EU's fiscal reaction function with threshold effects"*<sup>24</sup> by Em. Mamatzakis, member of the Board of Directors of HFISC. This working paper was published in the international scientific journal *Kyklos*<sup>25</sup>.
- Publication of a working paper in the relevant HFISC series entitled: *"From debt arithmetic to fiscal sustainability and fiscal rules: Taking stock and policy lessons"*<sup>26</sup>, by G. Economides, professor at the Athens University of Economics and Business, P. Koliousi, member of the Research Department of HFISC, An. Miaouli, President of the HFISC and A. Filippopoulos, member of the Board of Directors of the HFISC. This paper

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<sup>22</sup> See Annex II of this activity report. These thesis essays are posted on the HFISC's website:

<https://www.hfisc.gr/working-papers>

<sup>23</sup> <https://www.intechopen.com/chapters/1186447>

<sup>24</sup> [https://www.hfisc.gr/sites/default/files/working\\_paper\\_14\\_0.pdf](https://www.hfisc.gr/sites/default/files/working_paper_14_0.pdf)

<sup>25</sup> <https://onlinelibrary.wiley.com/doi/abs/10.1111/kykl.12377>

<sup>26</sup> [https://www.hfisc.gr/sites/default/files/working\\_paper\\_13\\_ind\\_2.pdf](https://www.hfisc.gr/sites/default/files/working_paper_13_ind_2.pdf)

has been accepted for publication in the international scientific Journal of Economic Asymmetries<sup>27</sup>.

- An academic article by the Head of the Research Department, An. Pappas, entitled: "*Fiscal Rules in the European Union: Less Is More*" was accepted for publication<sup>28</sup> in the international scientific Journal of Common Market Research (co-authors B. Căpraru and N. Sprincean).

- Presentation by the Head of the Research Department, An. Pappas, of an academic paper entitled: "*Examining the Impact of Inflation and Inflation Volatility on Economic Growth: Evidence from European Union Economies*" at the international conference Applied Business and Economics 2024 in Szczecin, Poland<sup>29</sup>. This article was published in the international scientific journal Economies<sup>30</sup> (co-authored by N. Boukas).

- Presentation by the member of the Research Department D. Dimitriou of an academic paper entitled: "*The dynamic relationship between CO2 and GDP in US, Italy and Japan during volatile times*"<sup>31</sup> (co-author I. Kostakis, Harokopio University) at the 26<sup>th</sup> annual conference of the International Network of Economic Research (INFER)<sup>32</sup>.

#### 4. Technical Support Program from the European Commission

In 2024, the actual launch of the SG Reform technical support program took place<sup>33</sup> (Technical Support Instrument - TSI<sup>34</sup>). The HFISC participates in all four pillars of the joint proposal with the other fiscal councils of the European Union to strengthen their capacity and effectiveness.

More specifically, the four pillars are the following:

- i. Upgrade and/or development of new macro and fiscal models;
- ii. Enhancing the long-term sustainability modelling capabilities of IFIs including climate risk assessment;
- iii. Identify ways to enhance IFIs strategic, institutional and operational effectiveness in view of the reformed EU economic governance framework, and
- iv. Increasing IFIs outreach and visibility towards the general public and stakeholders.

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<sup>27</sup> <https://www.sciencedirect.com/science/article/abs/pii/S1703494924000422>

<sup>28</sup> <https://onlinelibrary.wiley.com/doi/10.1111/jcms.13628>

<sup>29</sup> <https://2024.icabe.gr/conference-programme>

<sup>30</sup> <https://www.mdpi.com/2227-7099/13/2/31>

<sup>31</sup> [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4946964](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4946964)

<sup>32</sup> <https://easychair.org/smart-program/26thINFERAC2024/2024-06-18.html>

<sup>33</sup> REFORM/2023/OP/0010 "Strengthening the capacity of Independent Fiscal Institutions".

<sup>34</sup> [https://commission.europa.eu/funding-tenders/find-funding/eu-funding-programmes/technical-support-instrument/technical-support-instrument-tsi\\_en](https://commission.europa.eu/funding-tenders/find-funding/eu-funding-programmes/technical-support-instrument/technical-support-instrument-tsi_en)

During the first half of 2024, the writing of the inception report was completed. Subsequently, two on-site meetings with the contractor's stakeholders took place on 25-27 June 2024 and 27 August 2024. On December 18, 2024, a remote meeting was held with the contractor's representatives to assess the progress made so far and plan for the next year. Specifically, relevant deliverable plans for Phase "A" were submitted in all thematic areas, which are expected to be finalized within 2025.

## 5. Scientific work in progress

A. Preparation for the writing of a working paper entitled: "*Debt Sustainability Analysis: The case of Greece*" (in collaboration with an internship student).

B. Preparation for the writing of a working paper entitled: "*Net nationally financed primary expenditure*" (in collaboration with an internship student).

C. Preparation for the development of a macroeconomic model for policy evaluation for the Greek economy. The aim is to develop a macroeconomic model with microeconomic foundations for the Greek economy. The model – in a context of general (dis)equilibrium – can be used to study the trend and cycles of the Greek economy, as well as for the effects of actual and hypothetical economic policies. It will therefore complement the existing HFISC econometric models.

## Part III: Outreach - Networking

The extroversion of the institution and its networking with corresponding bodies in Greece and abroad are a priority for the HFISC. The management and support of the development of these collaborations of the HFISC is, in accordance with the internal rules of procedures, a responsibility of the Research Department. To this end, during 2024, cooperative relations with European Union counterparts, as well as with Greek public administration officials, were systematically cultivated, especially in the context of the implementation of the Memorandum of Understanding with the Ministry of Economy and Finance.

### 1. International relations

In the context of developing relations with foreign counterpart institutions, the HFISC participates:

- A) To the European Commission's (DG ECFIN) network/working group on Independent Fiscal Institutions<sup>35</sup> (EU Network of IFIs - EUNIFI).
- B) The Network of EU IFIs<sup>36</sup>, which is an institution with members on a voluntary basis, open to all independent fiscal institutions operating in the European Union.
- C) OECD Working Party of Parliamentary Budget Officials and Independent Fiscal Institutions<sup>37</sup>.

In particular, in the field of international relations, the following were carried out in 2024:

- Representation in all meetings (online or in-person) organized by the European Commission (DG ECFIN) within the framework of the Working Group on Independent Fiscal Institutions (EUNIFI).
- Collaboration and completion of a questionnaire of the European Commission (DG ECFIN) on the annual update of the Fiscal Governance Database<sup>38</sup> (FGD), as far as Independent Fiscal Institutions are concerned.

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<sup>35</sup> [https://economy-finance.ec.europa.eu/economic-and-fiscal-governance/national-fiscal-frameworks-eu-member-states/independent-fiscal-institutions\\_en](https://economy-finance.ec.europa.eu/economic-and-fiscal-governance/national-fiscal-frameworks-eu-member-states/independent-fiscal-institutions_en)

<sup>36</sup> <https://www.euifis.eu/>

<sup>37</sup> <https://www.oecd.org/en/topics/parliamentary-budget-offices-and-independent-fiscal-institutions.html>

<sup>38</sup> [https://economy-finance.ec.europa.eu/economic-research-and-databases/economic-databases/fiscal-governance-database\\_en](https://economy-finance.ec.europa.eu/economic-research-and-databases/economic-databases/fiscal-governance-database_en)



- Representation in the activities of the Network of EU IFIs. Communication with the HFISC is characterized as very satisfactory and the institution was represented in all meetings (online or in-person) organized by this network in 2024.
- Participation in the publication of the European Fiscal Monitor of the Network of Independent Fiscal Institutions of the European Union in February<sup>39</sup> and July 2024<sup>40</sup>. The purpose of this series of publications is to offer the organizations participating in the Network of Independent Fiscal Institutions a common platform which will convey their key messages to an international audience interested in the budgetary matters of European countries. These notes presented the short-term and medium-term prospects for the public finances of the European countries that are members of the network.
- Participation in the working group of the Network of EU IFIs on the communication strategy of the Fiscal Councils (WG on "How do IFIs Talk").
- Participation in the working group of the Network of EU IFIs for the revision of the institutional framework of European economic governance (EGR Working Group).
- Participation in the working group of the Network of EU IFIs regarding the adoption of fiscal and macroeconomic forecasts by Fiscal Councils (WG on "How to endorse fiscal and macro forecasts").
- Participation in the 16<sup>th</sup> Annual OECD Conference on Independent Fiscal Institutions, which took place in Athens on 17-18 June 2024, hosted by the Hellenic Parliamentary Budget Office<sup>41</sup>.
- Meeting with OECD representatives in the context of the work of this international organization, at the request of the Greek government, for the improvement of the institutional framework of Independent Authorities in Greece (November 2024).
- Cooperation and completion of a questionnaire of the European Fiscal Board (EFB) in the context of the Council's annual survey of fiscal councils in Europe.
- Working meeting with representatives of the credit rating agency "FITCH RATINGS" in the context of the assessment of the Greek economy (November 2024).

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<sup>39</sup> <https://www.euifis.eu/publications/37>

<sup>40</sup> <https://www.euifis.eu/publications/38>

<sup>41</sup> <https://www.pbo.gr/press-releases/16th-annual-meeting-of-the-working-group-of-executives-of-the-budget-offices-of-parliaments-and-independent-fiscal-institutions-of-the-OECD-member-countries>

## 2. Collaboration with domestic agencies and academic institutions

The HFISC systematically seeks to engage and exchange views with the main economic policy bodies in Greece. At the same time, it maintains ties with the country's leading academic institutions with the aim of mutually beneficial cooperation. In this context, during 2024, the HFISC cooperated with the following bodies:

- *Ministry of Economy and Finance*: In the context of the transposition of the new European Union economic governance rules<sup>42</sup> to national law, a relevant working group was established in March 2024<sup>43</sup> in which the HFISC participates with its representative. Specifically, the task of the Working Group is to study the revision of the institutional framework of fiscal management and supervision, based in particular: (a) on current developments at the level of the European Union regarding the new fiscal rules, (b) the needs that have arisen over a number of years regarding the revision of the relevant regulatory institutional framework and in particular Law 4270/2014 and (c) any necessary adjustments of a regulatory or organizational nature that are deemed to be necessary for the Hellenic Fiscal Council.

- *General Accounting Office*: Communication with the executives of the GAO has been continuous throughout the year and is considered satisfactory. Every month, the GAO sends to the HFISC, at the same time as its official publication, the State Budget Monitoring Report in editable excel file format. In addition, before submission to the Parliament or submission to the European Commission, the main fiscal tables of the Preliminary Draft and the Draft State Budget, as well as the Medium-Term Fiscal Structural Plan, are sent to the HFISC.

- *Directorate of Macroeconomic Policy and Forecasts of the Ministry of Economy and Finance*: There has been extensive cooperation and meetings regarding the macroeconomic scenarios of the Ministry of Economy and Finance, the methodology and the forecasting procedures. In addition, before submission to the Parliament or submission to the European Commission, the basic macroeconomic scenario of the Preliminary Draft and the Draft State Budget is sent to the HFISC, as well as the Medium-Term Fiscal Structural Plan and the Stability Program.

- *Public Debt Management Agency (PDMA)*: There was satisfactory communication throughout the year.

- *Hellenic Statistical Authority (ELSTAT)*: The HFISC participates in the Advisory Committee of the Hellenic Statistical System<sup>44</sup>. In 2024, a representative of the HFISC participated in the 11<sup>th</sup> meeting of this Committee (September 2024).

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<sup>42</sup> Regulations 1263/29.04.2024 and 1264/29.04.2024 and Directive 1265/29.04.2024.

<sup>43</sup> This is the decision of the Ministry of Economy and Finance with reference number 44772/28.03.2024 (ADA: 6M8LI-E4B), as amended and currently in effect (ADA: RXE9H-SOZ).

<sup>44</sup> <https://www.statistics.gr/en/advisory-committee>

- *Athens University of Economics and Business*: During 2024, within the framework of the memorandum of cooperation between the HFISC and AUEB, two undergraduate students of AUEB did their internship at the HFISC. Also, in April 2024, students of the Department of Economics of AUEB had an educational visit to the HFISC and were informed by the President of the HFISC about the work and operation of the Institution<sup>45</sup>.



### 3. Conferences, workshops and training seminars

During 2024, the President of the HFISC, the Head of the Research Department and the scientific staff of the Research Department participated in conferences, workshops and training seminars that fall under the competence of the HFISC, as follows:

Date	Category	Subject	Host
08/02/2024	Workshop	EFC-A/IFI Joint meeting	EFC and Network of EU IFIs
29/02/2024	Workshop	Economic Governance Review, Information meeting	DG ECFIN and Network of EU IFIs

<sup>45</sup> [https://www.linkedin.com/posts/hellenic-fiscal-council\\_askasjasbasrastaseascasx-asuasrasjasxaslastasp-activity-7196096506620260354-RmND/](https://www.linkedin.com/posts/hellenic-fiscal-council_askasjasbasrastaseascasx-asuasrasjasxaslastasp-activity-7196096506620260354-RmND/)

1-5/04/2024	Training Seminar	Easter Workshop on “The nexus between fiscal and monetary policies in general equilibrium” <sup>46</sup>	Bank of Greece and Department of Economics AUEB <sup>47</sup>
19/04/2024	Training Seminar	DSA and EGR implementation	Network of EU IFIs
17/05/2024	Conference	6 <sup>th</sup> Annual Conference of the European Fiscal Board <sup>48</sup> (EFB): The role of independent advice on fiscal policy	European Fiscal Board
06/06/2024	Conference	20 <sup>th</sup> Meeting of the EU Network of Independent Fiscal Institutions (EUNIFI)	DG ECFIN
12-13/06/2024	Conference	Annual Meeting of the European Network of Independent Fiscal Institutions	Network of EU IFIs
17-18/06/2024	Conference	16 <sup>th</sup> Annual Meeting of the OECD Working Party of Parliamentary Budget Officials and Independent Fiscal Institutions	OECD
18-20/06/2024	Conference	26 <sup>th</sup> INFER Annual Conference <sup>49</sup>	International Network of Economic Research
05/09/2024	Training Seminar	The DSA methodology in the new economic governance framework	DG ECFIN
12-14/09/2024	Conference	International Conference on Applied Business and Economics 2024 20 <sup>th</sup> Edition <sup>50</sup>	University of Szczecin, Poland
11/12/2024	Conference	21 <sup>st</sup> Meeting of the EU Network of Independent Fiscal Institutions (EUNIFI)	DG ECFIN

<sup>46</sup> [https://www.linkedin.com/posts/hellenic-fiscal-council\\_asuasjastastasrasjaszaskasyasxasdastasxasd-activity-7183735719029276672-z3QO/](https://www.linkedin.com/posts/hellenic-fiscal-council_asuasjastastasrasjaszaskasyasxasdastasxasd-activity-7183735719029276672-z3QO/)

<sup>47</sup> <https://www.dept.aueb.gr/el/node/29637>

<sup>48</sup> [https://commission.europa.eu/business-economy-euro/economic-and-fiscal-governance/european-fiscal-board-efb/role-independent-advice-fiscal-policy\\_en](https://commission.europa.eu/business-economy-euro/economic-and-fiscal-governance/european-fiscal-board-efb/role-independent-advice-fiscal-policy_en)

<sup>49</sup> <https://infer-research.eu/events/26th-infer-annual-conference>

<sup>50</sup> <https://2024.icabe.gr/>

## Part IV: Communication – Media

The Hellenic Fiscal Council, as an Independent Fiscal Institution, has an advisory role, acting as a documented and independent fiscal advocate. The publication of its objective and well-informed analyses of the country's fiscal performance is its main means of contributing to the public debate<sup>51</sup>. Through the systematic publication of mainly technical documents, it enhances transparency and social accountability, contributing to fiscal consistency and the stability of economic governance.

In this context, all opinions, reports and working documents of the HFISC are published on its official website<sup>52</sup>, while at the same time they are promoted through press releases and the regular contacts of the President of the HFISC with media representatives.

In addition, aiming at more direct communication and dissemination of its positions, the HFISC maintains an active social media account (LinkedIn) since 2024<sup>53</sup>, which is systematically updated on every relevant activity. It is noted that at the time of writing this report<sup>54</sup>, the relevant account was followed by 575 people.

In any case, the public impact of the HFISC's communication presence is significant and indicatively it is noted that for the period June-December 2024, 40 newspaper articles and 463 online articles included references to the activity of the Institution<sup>55</sup>.

Furthermore, in order to strengthen its communication strategy, the HFISC receives technical support through a relevant Program of the European Commission (TSI - SG Reform), as mentioned above in Part II. Specifically, in 2024, consecutive meetings (in-person or online) took place with the support team in order to complete the first part of the communication pillar (deliverable 4A). It is noted that the initial phase of the relevant process was successfully completed within 2025 and the project has already proceeded to the next stage of implementation.

Finally, as mentioned above in Part III, the HFISC has undertaken communication and liaison initiatives with the academic community and in particular with AUEB. In this context, undergraduate and/or postgraduate students visit the offices of the Council

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<sup>51</sup> In this regard, it is noted that according to the OECD recommendations on the principles that should govern Independent Fiscal Institutions: *"IFIs should develop effective communication channels from the outset, especially with the media, civil society, and other stakeholders. Given that the influence of IFIs in fiscal policy making is persuasive (rather than coercive by means of legal sanctions or other punitive measures), media coverage of their work assists in fostering informed constituencies that may then exercise timely pressure on the government to behave transparently and responsibly in fiscal matters"* (recommendation 8.1).

<sup>52</sup> <https://www.hfisc.gr/en>

<sup>53</sup> <https://www.linkedin.com/company/hellenic-fiscal-council>

<sup>54</sup> Specifically on 03/06/2025.

<sup>55</sup> These are data from the online publicity monitoring platform, as recorded on 23/05/2025.



and are informed about the operation and mission of the Institution by the President and the executives of the HFISC.

In more detail, with regard to the creation of communication material for the year 2024, the following are recorded:

## 1. Press releases

During 2024, seven (7) press releases were issued by the HFISC on the occasion of the publication of the HFISC's opinions and reports, which were widely publicized.

Specifically, the following press releases were issued:

- 02/05/2024: Press release on the HFISC's opinion on the 2024 Stability Program macroeconomic projections<sup>56</sup>
- 26/06/2024: Press release on the publication of the HFISC Spring Report<sup>57</sup>
- 30/09/2024: Press release on the opinion of the HFISC on the Medium-Term Fiscal-Structural Plan 2024<sup>58</sup>
- 07/10/2024: Press release for the publication of the opinion of the HFISC on the Preliminary Draft State Budget 2025<sup>59</sup>
- 15/10/2024: Press release on the evaluation of the Draft Budgetary Plan<sup>60</sup>
- 20/11/2024: Press release on the evaluation of the Draft State Budget 2025<sup>61</sup>
- 18/12/2024: Press release for the publication of the HFISC's autumn report<sup>62</sup>

## 2. Public interventions by the President of the HFISC

During 2024, the President of the HFISC contributed to the public debate with the aim of promoting the Institution and highlighting the HFISC's positions on issues within its remit.

Specifically, it made the following interventions:

- ✓ Presentation by the President of the HFISC entitled "*Independent Fiscal Institutions: The Hellenic Fiscal Council*" at the conference on "Citizens' Budget 2024"<sup>63</sup>. The conference was organized in March 2024 by the Jean Monnet Chair in European Tax Policy and Administration of the Law School of the Aristotle

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<sup>56</sup> [https://www.hfisc.gr/sites/default/files/dt\\_gnomi\\_eds\\_gia\\_ps\\_2024.doc](https://www.hfisc.gr/sites/default/files/dt_gnomi_eds_gia_ps_2024.doc)

<sup>57</sup> [https://www.hfisc.gr/sites/default/files/deltio\\_typoy\\_-\\_eds\\_26062024.pdf](https://www.hfisc.gr/sites/default/files/deltio_typoy_-_eds_26062024.pdf)

<sup>58</sup> [https://www.hfisc.gr/sites/default/files/dt\\_gnomi\\_eds\\_gia\\_mds\\_2024.pdf](https://www.hfisc.gr/sites/default/files/dt_gnomi_eds_gia_mds_2024.pdf)

<sup>59</sup> [https://www.hfisc.gr/sites/default/files/dt\\_gnomi\\_pkp2025.pdf](https://www.hfisc.gr/sites/default/files/dt_gnomi_pkp2025.pdf)

<sup>60</sup> [https://www.hfisc.gr/sites/default/files/dt\\_eds\\_dbp2025.pdf](https://www.hfisc.gr/sites/default/files/dt_eds_dbp2025.pdf)

<sup>61</sup> [https://www.hfisc.gr/sites/default/files/dt\\_eds\\_kp2025.pdf](https://www.hfisc.gr/sites/default/files/dt_eds_kp2025.pdf)

<sup>62</sup> [https://www.hfisc.gr/sites/default/files/eds\\_dt\\_fe\\_2024.pdf](https://www.hfisc.gr/sites/default/files/eds_dt_fe_2024.pdf)

<sup>63</sup> [https://www.linkedin.com/posts/hellenic-fiscal-council\\_fiscalspolicy-budget-hellenicfiscalcouncil-activity-7171824794726715392-WFyu](https://www.linkedin.com/posts/hellenic-fiscal-council_fiscalspolicy-budget-hellenicfiscalcouncil-activity-7171824794726715392-WFyu)

University of Thessaloniki, in collaboration with the Institute of Fiscal Research (IN.DI.ME)<sup>64</sup>.



- ✓ Article by the President of the HFISC in Sunday's Kathimerini newspaper entitled: *"Independent Fiscal Institutions, a pillar of fiscal credibility"*<sup>65</sup> (September 2024).
- ✓ Speech by the Chair of the HFISC at the joint meeting of the Standing Committee on Economic Affairs and the Special Standing Committee on European Affairs, on the agenda item of the briefing of the members of the Committees on the Medium-Term Fiscal-Structural Plan<sup>66</sup> (October 2024).



<sup>64</sup> [https://law.auth.gr/sector\\_announcements/h Citizens' Budget-Share-2024](https://law.auth.gr/sector_announcements/h%20Citizens'%20Budget-Share-2024)

<sup>65</sup> <https://www.kathimerini.gr/economy/563220577/arthro-tis-a-miaoyli-stin-k-anexartites-dimosionomikes-arches-pylonas-dimosionomikis-axiopistias>

<sup>66</sup> [https://www.hfisc.gr/sites/default/files/n.miaouli\\_hfisc\\_vouli\\_presentation\\_04\\_10\\_2024.pdf](https://www.hfisc.gr/sites/default/files/n.miaouli_hfisc_vouli_presentation_04_10_2024.pdf)

See also the relevant video from point 1.40.42 onwards:

<https://www.hellenicparliament.gr/userfiles/media/synedriaseis/epitropes-oikonomikon-20241004.mp4>

- ✓ Article by the President of the HFISC in Sunday's Vima newspaper entitled: "*Fiscal Credibility in an Uncertain European Environment*"<sup>67</sup> (December 2024).

The above articles of the President of HFISC in the Sunday press are included in Annex III of this report.

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<sup>67</sup> [https://www.linkedin.com/posts/hellenic-fiscal-council\\_askaspasuaj-hfisc-fiscalstability-activity-7285652897659322371-LTfz](https://www.linkedin.com/posts/hellenic-fiscal-council_askaspasuaj-hfisc-fiscalstability-activity-7285652897659322371-LTfz)

## Part V: Administrative Support – Financial Management – IT

During the year 2024, the Administrative Support Department of the HFISC fulfilled its duties in accordance with the provisions of the Founding Law (Law 4270/2014) and the Internal Rules of Procedure (Government Gazette 4196/B'/19.11.19), contributing to the smooth operation of the Institution. It is responsible for all the responsibilities of the financial service, except for those assigned to the DGFS of the Ministry of Economy and Finance, the responsibilities of the Human Resources Service, the Secretariat of the Board of Directors and of the Service Council. It is also responsible for IT matters, for the organization and maintenance of the General Registry (Protocol) in electronic and printed form, for the organization and maintenance of the register of human resources of the HFISC, for handling of correspondence, for the management of the off-site travel of staff, for the implementation of the procurement of consumables, fixed assets and projects, while it maintains and updates the asset register of the HFISC.

It is worth noting that the multiple role of the Administrative Support Department is crucial for the proper functioning of the HFISC, given that its responsibilities relate to the entire service. In 2024, it was able to perform these duties effectively, despite difficulties arising from staff shortages, thanks to the intensive efforts of its employees and its good organization.

### 1. Establishment of best administrative practices

With the main priority being the reduction of the administrative burden and in accordance with the legislative framework, the Administrative Support Department of HFISC introduced the payment of non-tax-informed suppliers, as well as the reimbursement of withholding tax of suppliers by electronic payments through the Bank of Greece online application, DIAS Portal, replacing payments by sending cheques to the Bank of Greece, effectively reducing administrative costs and burdens. Also, as a best practice, the creation of various shared folders in the electronic files with the respective recipients has been established. A similar practice of creating shared folders is also applied by the Research Department.

In order to improve the efficient organization and operation of the Administrative Support Department, as well as to improve the work environment, weekly meetings of the Administrative Support Department were established in 2024 in order to discuss service-related issues.

## 2. Administrative Support: Human Resources – Training

**1. Recruitment.** The HFISC, in accordance with Law 4440/2026 and the relevant circulars of the Ministry of Interior, participated in both cycles of Mobility 2024, by announcing a vacancy for the Administrative Support Department on the electronic platform of the Ministry of Interior "Census – Human Resources Registry of the Hellenic Public Sector". In the first mobility cycle, the Institution's Three-Member Mobility Committee concluded with the selection of candidates for the position, however, the institution of origin did not approve their posting. The second mobility cycle started at the end of the year 2024.

**2. Annual Planning of Human Resources of Public Administration for the year 2025.** The Administrative Support Department, according to the document with reference number DIPAAD/F.2.9./91/oik.12793/10.07.2024 of the Ministry of Interior, submitted a total of four (4) applications for the coverage of an equal number of positions on the electronic platform of the Ministry of Interior "Census – Human Resources Registry of the Hellenic Public Sector" in the context of the "Annual Planning of Human Resources of Public Administration for the year 2025" (ADA: RP2Φ465ΔΨ9-7A9).

**3. Appointments.** In February 2024, the Board of Directors of the HFISC proceeded to the appointment of a new Head of Administrative Support Department, following the departure of the former Head through an indefinite secondment to another public service (ADA: 6GEO465ΔΨ9-Γ1B).

**4. Evaluation.** Within 2024, the electronic evaluation of the staff of the HFISC for the evaluation period of the year 2023 was completed, on the electronic platform of the Ministry of Interior "Census – Human Resources Registry of the Hellenic Public Sector" according to the provisions of Law 4940/2022 and the relevant circulars of the Ministry of Interior.

**5. Goal setting/Objectives.** In accordance with the provisions of Part B of Law 4940/2022, and in the relevant circulars of the Ministry of the Interior, the process of specialization and allocation of the objectives for the year 2024 has been completed on the electronic platform of the Ministry of the Interior "Census – Human Resources Registry of the Hellenic Public Sector".

**6. Specific job descriptions of the HFISC.** Pursuant to Article 18 of the draft law of the Ministry of the Interior entitled: *"Acceleration of recruitment through ASEP, amendments to the Code of Status of Public Civil Servants....for the improvement of the operation of the public administration"* and the relevant circulars of the Ministry of the Interior, the updating of the Special Job Descriptions was carried out, a prerequisite for the participation of the Institution in the annual Human Resources Planning of Public Administration for the year 2025 on the electronic platform of the Ministry of Interior "Census – Human Resources Registry of the Hellenic Public Sector".

**7. Employment termination.** Within 2024, an employee of the Research Department with an employment relationship under Private Law of Indefinite Duration requested his resignation from the HFISC (Government Gazette 1666/C'/10.06.2024).

**8. Automatic resignation.** At the end of the year 2024, the automatic resignation of an employee of the Research Department was confirmed, due to his appointment as a faculty member in a University (Government Gazette 187/C'/23.01.2025).

**9. Secondments.** In the context of the First Mobility Cycle 2024, one (1) employee of the Research Department was seconded to another public body (ADA: 6MY469H1X-O9P), and one (1) employee of the Research Department was seconded by way of derogation from the current provisions (Law 4440/2016) to another public body (ADA: 69BA4691Φ0-Φ0E).

**10. Diavgeia and publications in the Government Gazette.** The Administrative Support Department proceeded to post on the "DIAVGEIA" platform the President's actions concerning personnel issues, the out-of-office movements of the official agents and the extracts of the minutes of the BoD, the drafting of documents to be published in the Government Gazette.

**11. Secretarial support of the Board of Directors.** Keeping minutes of meetings and their records in electronic and printed form.

**12.** Organization and adherence to the **General Registry (Protocol)** in electronic and printed form, processing of correspondence, classification and archiving of documents and files. Within 2024, a total of 761 documents were registered with a protocol number, which were archived in physical and digital form with the aim of drastically reducing the production of copies and accelerating the implementation of actions.

**13.** Organization and maintenance **of the human resources register** of the HFISC, in electronic and printed form.

**14. Staff promotions and salary progression.** The relevant decisions on staff promotions and the granting of salary scales were issued in accordance with the applicable provisions.

**15. Participation in collective bodies.** Three of the four serving employees of the Administrative Support Department participated in 2024 as members of collective bodies of the Institution.

**16. Training.** The Head of the Administrative Support Department and the employees attended the following training programs of the National Center for Public Administration and Local Government (EKDDA):

- I. Civil Service Code
- II. Training in effective leadership in the public sector
- III. Business Intelligence (BI) and Data Analysis with Excel

- IV. Administrative Capacity Building: Leadership and Strategic Thinking-Organizational Change
- V. The role and importance of consultation in public administration
- VI. The goal setting and evaluation system of Law 4940/2022

### 3. Financial management

**1. Receipt of the annual grant.** All the necessary actions were taken to receive the grant from the HFISC for the financial year 2024, namely the creation of the expenditure estimate table for the fourth quarter of 2024, the creation of the relevant expenditure payment statement and the preparation of the report by the date of sending the required supporting documents to the competent services of the Ministry of Economy and Finance, as well as the transmission to the Court of Auditors of the 2023 balance sheet and the 2024 budget.

**2. Audit of financial management for years 2022 and 2023.** In the context of sound financial management, a contract was signed with a Certified Public Accountant for the audit of the financial management of the resources and the annual financial statements for the financial year 2023, as well as for the financial year 2022 which had not been audited in the previous year.

**3. Budget, Report, MTFSF.** The Administrative Support Department prepared the budget for the year 2025, the balance sheet for the year 2024, as well as the MTFSF of the HFISC.

**4. Issuance of payment orders.** During the year 2024, 126 money orders were issued and paid by the Administrative Support Department, of which 19 were commissioned, to cover the operational needs of the HFISC. For each of the above money orders, the Administrative Support Department collected all the necessary supporting documents by creating a relevant file, which it forwarded to the competent Department of the General Directorate of Financial Services (DGFS) of the Ministry of Economics and Finance.

**5. Issuance of revenue receipts.** The receipts from each legal source of revenue were made with the no. 1-6 Revenue Receipts, which concerned the collection of capital income for the second half of 2023 and the first half of 2024 from the Bank of Greece, the subsidy for the financial year 2024, the reimbursement of amounts unduly paid by the President of the HFISC and employees who left the HFISC in 2024.

**6. Payment of expenses.** For the payment of the expenses approved by decisions of the President and the Board of Directors of the HFISC: a) cheques were issued to the Bank of Greece, b) electronic payment orders to suppliers were executed and c) electronic payroll payment orders were executed.



**7. Supplies of Consumables and Provision of Services.** The Administrative Support Department has carried out the necessary actions for the performance of procurements related to the operation of the HFISC (e.g. an external partner specializing in econometric models, provision of communication support services, provision of legal services). The position of an employee in charge of procurement responsibilities remains vacant.

**8. Archiving, monitoring and sending of data.** The monitoring, registration and sending of data was carried out, within the required deadlines: a) on a monthly basis the necessary data in the Register of Commitments, b) on a quarterly and annual basis of the required data to ELSTAT and c) on a quarterly and annual basis of the target setting and implementation of the budget and financial data to the competent services of the Ministry of Economy and Finance.

**9. Credit commitment decisions.** For 2024, 48 credit commitment decisions were issued, necessary for the execution of commissions and the payment of the salaries of employees and members of the Board of Directors of the HFISC. In addition, the corresponding decisions to withdraw credit commitments were issued.

**10. Payroll.** The Administrative Support Department carried out all the necessary actions for the payroll of the employees and members of the Board of Directors of the HFISC. It also posted on a monthly basis the files of the Single Paying Authority and the Detailed Periodic Declarations (APD), while the annual remuneration archive for the year 2023 of the salaried employees and suppliers of the HFISC was created and posted in the IAPR application.

**11. Posting of decisions in DIAVGEIA and KIMDIS.** The Administrative Support Department proceeded to the posting of decisions to undertake a credit commitment, primary requests, assignments and contracts to DIAVGEIA and KIMDIS (in whatever was required).

**12. Cooperation with other Bodies.** In order to promote work related to financial management and problem solving, the Administrative Support Department successfully collaborated during the year with the DGFS of the MinFin, the Court of Auditors, the Bank of Greece and other bodies.

**13. Occupational Safety and Health.** With the aim of providing suggestions and advice on the health, safety of staff and Board members, as well as the prevention of accidents in the premises and offices of the HFISC, the contract with a Safety Technician was continued in 2024.

## 4. IT

**1. Software Upgrade/Modernization.** The backup system and the firmware of the network infrastructure have been upgraded in order to reduce security gaps. In

addition, all proposed measures to strengthen resilience to attacks on the infrastructure have been implemented in accordance with the manufacturer's recommendations. The email system has been upgraded to the latest security version, resulting in an improvement in the resilience of the infrastructure against ongoing cyber-attacks and daily spam check of the central anti-spam system was carried out.

**2. Implementation - Customization - Integration into productive operation.** Within 2024, the functionality of the Institution's website was expanded with the implementation of two additional areas in the category "Activities" related to "Publications" of the institution and "Public Interventions".

**3. Implementation of a secondary network sector controller infrastructure.** The HFISC has gained redundancy in critical network sector functions and increased availability of its services during maintenance and/or fault restoration operations. In addition, a new anti-virus and anti-malware system was developed in the network of the agency, while the monitoring of incident reports, updates and upgrades of the antivirus software was carried out on a weekly basis.



## Annex I:

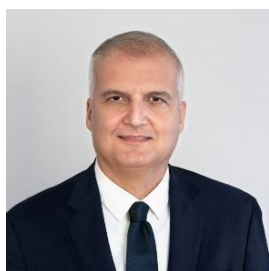
### CVs of the President and the Members of the Board of Directors of the HFISC



#### **Anastasia Miaouli, President**

Anastasia Miaouli is an Emeritus Professor in the Department of Economics at the Athens University of Economics and Business. Her research focuses on macroeconomics, structural reforms in product and labor markets, and fiscal policy in general equilibrium macroeconomic models.

She has served as Dean of the School of Economic Sciences at AUEB and as an Honorary Senior Research Fellow at City University London. She has taught as a visiting professor at institutions such as the University of Bern, Queen Mary College (University of London), and the University of Cyprus. She has acted as an expert and Vice Chair in evaluation procedures for EU research programs (Marie Curie, ITN, Cofund, Horizon 2020), and has published in leading international journals including the *Journal of Economic Studies*, *International Review of Applied Economics*, *Journal of Macroeconomics*, and *Economic Modelling*. She has edited two books, presented her work at numerous international conferences, and serves on the editorial board of the European network of independent fiscal institutions.



#### **Dimitrios Kenourgios, member of the Board of Directors and Deputy President**

Dimitris Kenourgios is Professor of Finance, Member of the Administration Council of the National and Kapodistrian University of Athens (NKUA), Deputy Head of the Department of Economics/NKUA and Deputy Chairman of the Hellenic Fiscal Council. He also serves as Director of the UoA Center for Financial Studies and Director of the University of Athens MBA and the Master (MSc) in “Internal Audit, Risk Management & Compliance (NKUA IARC)”.

He has taught at the Athens University of Economics and Business (Department of Accounting and Finance and Department of International and European Economic Studies), the University of Piraeus (Department of Banking and Financial Management), the University of Thessaly (Department of Economics), the Hellenic Open University, the Open University of Cyprus, the MBA program of Kentucky with TEI of Piraeus in Greece, the MSc in Accounting and Finance of TEI Piraeus and at

master programs organized by the University of Strathclyde (U.K) and University of Wales (U.K) in Greece.

His research interests are in the areas of financial contagion, capital markets, corporate finance, sustainable finance, alternative investments, financial modelling and risk management. Among other journals, his work appears in *Journal of International Financial Markets, Institutions & Money*, *International Review of Financial Analysis*, *The European Journal of Finance*, *International Journal of Finance and Economics*, *Small Business Economics*, *North American Journal of Economics and Finance*, *Journal of Multinational Financial Management*, *International Review of Economics and Finance*, *Quarterly Review of Economics and Finance*, *The Manchester School*, *Multinational Finance Journal*, *Journal of Policy Modelling*, *Economic Modelling*, *Finance Research Letters*, *Journal of Economic Studies*, *Applied Financial Economics*, *Research in International Business and Finance*, *Applied Economics Letters*.

His research work has also been presented extensively in international academic conferences. He has served as a referee in several academic journals, and a member of editorial advisory boards of international academic journals. Finally, he has extensive experience in consulting, executive training and e-learning services in the areas of investments, financial derivatives, capital markets and corporate finance.



**Nikolaos Tatsos, member of the Board of Directors**

Professor of Public Finance at Panteion University, from 1986 to 2017. He holds a first degree in Economics from the University of Athens and an MSc and a PhD degree in Fiscal Policy from the University of Wales. He has also taught at the University College of North Wales and at the Hellenic Open University and he has worked as a research fellow/expert at the Institute of European Finance (UK), the Economic Research Department of the Bank of Greece, the Institute of Economic and Industrial Research (IOBE), the Council of Europe and the International Court of Arbitrations.

He has been Vice Chairman of the Centre of Economic Planning and Economic Research (KEPE), member of the Council of Economic Advisors and he has represented Greece at Working Groups and Committees of the EU, the OECD and the Council of Europe. He has been Chairman or member of the Governing Boards of various public entities in Greece as well as Chairman of numerous Public Committees on fiscal matters. From 2007 to 2011 he served as an ambassador of Greece at the OECD and since 2017 he is member of the Hellenic Fiscal Council.

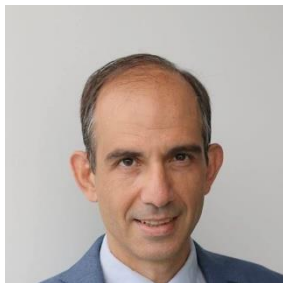
He has authored many books, articles and empirical studies on fiscal issues, mainly on the fields of taxation policy and fiscal decentralization.



### **Apostolos Philippopoulos, member of the Board of Directors**

Apostolis Philippopoulos is Professor Emeritus at the Department of Economics, Athens University of Economics and Business. He holds a PhD from Birkbeck College, London. He taught at the University of Essex (1989-1996) before moving to Athens. He has been visiting professor at the Universities of Bern and Glasgow and is a research fellow at CESifo Munich and the Hellenic Observatory at the LSE. He currently serves as a member of the Hellenic Fiscal Council.

He has published more than sixty research papers on macroeconomic theory and policy and has edited a book on the Economics of the Public Sector published by MIT Press and CESifo.



### **Emmanouil Mamatzakis, member of the Board of Directors**

Professor of Finance at Birkbeck Business School, Birkbeck College, University of London. He holds a PhD in Economics (DPhil) from Queen Mary College, University of London (UK) with a scholarship from the Hellenic State Scholarships Foundation, a Master of Science in Economics (MSc in Economics) from the University of Warwick, and an undergraduate degree in Economics from the Department of Economic Studies, National and Kapodistrian University of Athens.

In the past, he has taught at Cass Business School (UK), University of Sussex (UK), Rennes Business School (France), and Fundação Getúlio Vargas (Brazil), as well as at Greek universities such as the University of Macedonia. He has numerous academic publications in international scientific journals such as *Agriculture Economics*, *Journal of International Money and Finance*, *Journal of Banking and Finance*, *Economics Letters*, *European Journal of Operational Research*, among others.

He has served as Secretary General of Fiscal Policy, President of the Public Debt Management Agency, and has worked at the Council of Economic Advisors of the Ministry of National Economy.

## Annex II:

### **Working papers of the Hellenic Fiscal Council**

14. Mamatzakis Emmanouil (2024), Dynamic panel analysis of the EU's fiscal reaction function with threshold effects, Working Paper 14/2024, Hellenic Fiscal Council, March.
13. Economides George, Koliousi Giota, Miaouli Natasha and Philippopoulos Apostolis (2024), From Debt Arithmetic to Fiscal Sustainability and Fiscal Rules: Taking stock and policy lessons, Working Paper 13/2024, Hellenic Fiscal Council, February.
12. Dimitriou Dimitrios, Tsioutsios Alexandros, Simos Theodore and Kenourgios Dimitrios (2023), Do Interest Rates Relate to Economic Growth? Empirical Evidence for Greece, Working Paper 12/2023, Hellenic Fiscal Council, November.
11. Ioannidis Giorgos and Panagiota Koliousi (2021), The revision of the European Fiscal Framework: an overview of the debate and a moderate proposal, Working Paper 11/2021, Hellenic Fiscal Council, December.
10. Ioannidis Giorgos, Pateli Georgia and Dimos Giorgos (2021), Investigating the determinants of "COVID-19 spending" in Greece and the Eurozone, Working Paper 10/2021, Hellenic Fiscal Council, May.
9. Pappas Anastasios and Kostakis Ioannis (2020), The driving factors of EMU government bond yields: The role of debt, liquidity and fiscal councils, Working Paper 9/2020, Hellenic Fiscal Council, May.
8. Ioannidis Giorgos (2020), Estimation of the labor share in Greece 1995-2018, Working Paper 8/2020, Hellenic Fiscal Council, April.
7. Axioglou Christos (2020), GDP Forecasts and Expenditure Components for each Quarter, Working Paper 7/2020, Hellenic Fiscal Council, February.
6. Gkrammis Apostolos, Schinas Christos and Triantafyllopoulou Christina (2018), Number of institutions, staff and payroll expenditure of the General Government: An overview of their evolution in recent years, Working Paper 6/2018, Hellenic Fiscal Council, November.
5. Dimitriou Dimitrios and Kazanas Athanasios (2018), Analysis of debt dynamics in relation to fiscal policy: The Greek case, Working Paper 5/2018, Hellenic Fiscal Council, October.
4. Dimitriou Dimitrios and Pappas Anastasios (2018), Do confidence indicators lead economic activity? The case of Greece, Working Paper 4/2018, Hellenic Fiscal Council, July.

3. Axioglou Christos (2017), The European Commission's approach to the assessment of the output gap of the Greek economy: A sensitivity analysis, Working Paper 3/2017, Hellenic Fiscal Council, November.
2. Kazanas Thanassis (2017), A Vector Error Correction Forecasting Model of the Greek Economy, Working Paper 2/2017, Hellenic Fiscal Council, October.
1. Kazanas Thanassis (2017), Short term forecasting of Greek GDP growth using Dynamic Factor Models, Working Paper 1/2017, Hellenic Fiscal Council, October.



### Annex III:

#### Articles by the President of the HFISC published in Sunday newspapers

##### **1. Article by Anastasia Miaouli in the Sunday edition of Kathimerini (September 2024)**

###### **Independent Fiscal Institutions, a pillar of fiscal credibility**

The implementation of the EU's new economic governance framework is now a legally enshrined reality that affects all the economies of the 27 member states and their citizens for the coming years.

The change in the legislative framework comes as the EU struggles to adapt to increased fiscal disparities among member states and respond to the economic challenges of the time, such as the just digital and green transitions, energy security, demographic change and strengthening social and economic resilience.

The aim is to increase the efficiency of the application of the rules, mainly by correcting computational errors that were identified in the previous framework. The central concept is the reduction of debt and deficits in a gradual, realistic but also growth-friendly way. A key tool is the analysis of the sustainability of the public debt of national economies, which leads to the crucial parameter of primary expenditure, which is directly controlled by the governments of the states, thus strengthening national ownership.

We are already in the early stages of its implementation and it is useful to ask ourselves how the role of the Independent Fiscal Institutions is changing and what this change means at the level of applied policy.

The Independent Fiscal Institutions are now an effective element in the construction of the fiscal framework, thus reinforcing the concept of fiscal policy "responsibility". Their role is not limited to a "watchdog" but is transformed into a reliable "fiscal advocate".

How will this be done? Institutions with a high level of operational independence must be technically upgraded, have timely and unhindered access to information and the necessary resources to carry out their tasks. Their task is to assess the macroeconomic projections and assumptions that characterize the fiscal framework and to effectively monitor compliance with European fiscal rules.

In addition, they need to assess the consistency, coherence and effectiveness of the national fiscal framework as a whole. In all of the above, the strengthening of the

communication of fiscal messages with society as a whole, as well as with other public institutions, aims at increased transparency and accountability.

But what does technical competence mean and what is its importance? Fiscal institutions should be able to link Debt Sustainability Analysis with critical parameters of the economy in models that involve uncertainty (geopolitical risks, climate change, etc.). In addition, to develop structural models that describe the economy as a whole and the markets, highlighting the interdependence of economic figures and shedding light on the effects of fiscal policy on growth, debt, and income inequalities.

As the current and future challenges to the sustainability of public finances are significant, the role of independent fiscal analyses that leverage academic research and scientific findings becomes central to fiscal planning. Such consistent planning is necessary as it gives a message of credibility and stability of the economy to domestic and international actors, contributing to attracting investments and therefore to growth, so as to support the needs of citizens and especially the most vulnerable.

*Mrs. Anastasia Miaouli is the President of the Hellenic Fiscal Council, Professor Emeritus of the Athens University of Economics and Business.*

## **2. Article by Anastasia Miaouli in Vima tis Kyriakis (December 2024)**

### **Fiscal credibility in an uncertain European environment**

The Greek economy, after a difficult course of economic adjustment and memoranda, is showing signs of a significant recovery in recent years, maintaining a satisfactory rate of growth and reduction of unemployment. However, this path has many challenges to face, as the country finds itself in an increasingly uncertain European environment. Factors such as ongoing and new geopolitical tensions, inflationary pressures and the recent political crisis in two major Eurozone economies have contributed to a complex economic landscape. But what do we mean by "fiscal credibility"?

Fiscal credibility refers to the confidence that a country's citizens, markets, and investors have in a government's ability to manage its finances responsibly. It involves a government's commitment to maintain sustainable debt levels, adhere to fiscal rules, and implement effective economic policies. For Greece, which has a history of fiscal management with the accumulation of high successive deficits, a high level of debt and ultimately economic instability, the integration of fiscal responsibility into the culture of citizens and its maintenance in times of significant risks is a big change. However, this change is necessary to improve confidence at home and abroad, attract investments, promote sustainable development and ultimately protect the most vulnerable.

After the pandemic period, the Greek economy is growing at a satisfactory rate much higher than the Eurozone average and with forecasts estimating that this pace will continue in 2025 and in the coming years. This path can be attributed to several factors, such as the successful development of tourism, the increase in exports, the support of the European Union but also the effective absorption of significant funds, in particular through the NextGenerationEU recovery fund and the consequent increase in investment, the successful implementation of structural reforms such as the digitalization of tax mechanisms and the fight against tax evasion. However, the landscape is not without its challenges.

The ongoing war in Ukraine has exacerbated existing vulnerabilities in the European economy, with energy prices soaring, leading to increased costs for households and businesses. The Greek economy, which relies heavily on energy imports, faces serious challenges in terms of energy security and cost stability. This geopolitical situation complicates fiscal planning, as unforeseen events could lead to sudden changes in planned spending.

The increase in inflation caused by soaring energy prices and supply chain disruptions, as well as the persistence of rigidities in product and labor markets, has put significant pressure on household budgets and negatively affected their disposable income. Although it appears to be on a downward trajectory for the coming years, the rising cost of living and general uncertainty often lead to increasing pressure for additional subsidies or other fiscal benefits. However, any additional spending or wage support required as a quick response to the uncertain but demanding economic environment, especially if not combined with productivity growth, could jeopardize fiscal targets and undermine the credibility the country has gained.

Greece's public debt remains one of the highest in the Eurozone. While the debt-to-GDP ratio has declined significantly, due to growth momentum, the existence of fiscal primary surpluses, the favorable interest-growth ratio and successful fiscal management, it continues to pose a challenge to fiscal sustainability. Any signs of fiscal divergence could reverse this trend and eventually lead to increased borrowing costs. Let's not forget that every extra euro that is necessarily channeled into debt repayment is one euro less than necessary social expenditures such as health, education, but also defense and security in the country.

Although Greece has made great progress in implementing structural reforms, the speed and depth of these reforms remain critical. The political system must continue to address issues such as tax evasion, inefficiencies in the public sector, rigidities in the labor and product market with considerable caution and avoidance of sloppiness. Failure to continue the effective implementation of reforms could undermine fiscal consistency and hamper economic growth.

In recent years, the Greek economy has managed to shake off features of "inconsistent management and economic instability" and is gradually restoring its image as a modern, developed and fiscally sound economy. The continuation of fiscal policies, with an emphasis on the achievement of primary surpluses, is at the core of this strategy. By showing a commitment to fiscal prudence, it conveys the message to both investors and international partners that Greece is on a sustainable fiscal path.

The uncertain European environment and geopolitical instability in the wider Mediterranean geographical region make this mission increasingly complex and increasingly challenging. Balancing the need for support to households and businesses when needed while maintaining fiscal discipline is a delicate and often painful process. It requires careful and calm technical analysis, courageous political strategy and resists the sirens of easy and pleasant promises.

In order for the country to navigate these challenges and remain a reliable European partner, it is above all necessary to constantly strengthen the institutional frameworks. The deepening of the institutions that ensure the effective implementation of fiscal policies and structural reforms, making transparency, accountability and public financial management primary objectives, is a continuous effort, not without cost.

Ultimately, the road ahead will constantly require a delicate balance between fiscal discipline and the need for strategic interventions, ensuring that Greece can thrive in an increasingly complex economic landscape. It is a possible path but not an easy one...

*Anastasia Miaouli*

*President of the Hellenic Fiscal Council*

*Professor Emeritus, Athens University of Economics and Business*