



## INTEGRITY PACTS

CIVIL CONTROL MECHANISMS FOR SAFEGUARDING EU FUNDS

# 4th Monitoring Report: Greece





## TRANSPARENCY INTERNATIONAL

Transparency International (TI) is a worldwide movement that envisages and aims at the enhancement of transparency and the curtail of instances of corruption, through the cooperation with the public and private sector and the active participation of citizens. It implements a wide range of activities, projects and tools for the enhancement of transparency and the fight against corruption.

It is consisted of more than 100 chapters in countries all over the world. Transparency International Secretariat (TI-S) is based in Berlin and Transparency International EU Liaison Office (TI-EU) is based in Brussels.

## TRANSPARENCY INTERNATIONAL - GREECE

Transparency International-Greece (TI-GR) was established in 1996 in Athens as an accredited chapter of Transparency International. Through the promotion of legal and institutional reforms, and the design and application of best practices and tools, it raises awareness for the risks of corruption in Greece and it mobilizes public bodies and businesses to contribute to strengthening transparency.

TI-GR has implemented a great number of projects (ex. “Speak Up - Engaging Citizens in fighting corruption in Europe - the Transparency Now Service, “Engaging the EU Presidency in the fight against corruption - Evaluation of the Greek Presidency”, “Transparent local government” “Staying on Side,” etc.) and has conducted important researches (i.e. “National Research on petty corruption in Greece”) and studies (i.e. Assessment of the National Integrity System, Core principles for the protection of whistleblowers).



This report was drafted within the “INTEGRITY PACTS - Civil Control Mechanisms for Safeguarding EU Funds, Phase 2” project financed by the European Commission (DG for Regional and Urban Policy) and is the intellectual property of TI-GR. No reproduction of the work in whole or in part, in summary, by paraphrase or adaptation by any means or manner is allowed, without the prior written permission of the publisher.

This publication is the sole responsibility of the author and the European Commission is not responsible for any use that may be made of information contained therein.

Every effort has been made to verify the accuracy of the information contained in this report. Nevertheless, Transparency International Greece cannot accept responsibility for the consequences of its use for other purposes or in other contexts.

Transparency International - Greece  
Athens, March 2021

# CONTENTS

01 /

THE “INTEGRITY PACT”  
IN GREECE & IN OTHER COUNTRIES

02 /

THE PROJECT AT A GLANCE

03 /

INDEPENDENT MONITOR:  
OBSERVATIONS & COMMENTS

06 /

ANNEX:  
CORRESPONDENCE AMONG INVOLVED PARTIES

08 /

THE EXPERTS’ TEAM



# THE INTEGRITY PACT

The Integrity Pact (IP) is a tool developed by Transparency International in mid-1990s and has been applied to more than 300 public procurement processes all over the world. It constitutes an agreement signed by actors participating in a public procurement process for a public work contract, a public supply contract or a public service contract (contracting authorities and bidders).

This agreement binds the parties-who enter into the agreement voluntarily-to abstain from any direct or indirect act of bribery, “under the table” agreements and any other corrupt practices during the bidding process and the execution of the contract. It also encourages them to contribute to a more transparent bidding process, by allowing its monitoring from the civil society. For this reason, it provides for the participation of a third party, mainly a civil society organization that operates as an Independent Monitor, observing the participating parties’ compliance to the commitments provided for by the IP.

## THE INTEGRITY PACT IN GREECE

In Greece, the Integrity Pact is implemented for the first time as a pilot project through the “INTEGRITY PACTS-Civil Control Mechanisms for Safeguarding EU funds, Phase 2” project, which is funded by the Directorate General for Regional and Urban Policy of the European Commission. Transparency International-Greece monitors the tendering process and the execution of the contract for the public work “Construction of a flood protection pipeline network in areas within the Municipalities of Nikaia-Aghios Ioannis Rentis and Moschato-Tavros”, with Attica Region as the Contracting Authority.





The project foresees the implementation of 18 Integrity Pacts in 11 member states

- **PROJECT OBJECTIVES**  
Ensure the best and most responsible management of EU funds available for public contracts.
- Integrate the Integrity Pact, after evaluating its efficiency, in the legislative framework of EU countries, rendering its application obligatory (as in case of Italy). Encourage raising awareness, interest and engagement of citizens in the awarding and execution of public contracts, which concern works, supplies and services impacting their everyday lives and quality of life.
-

# ANTI-FLOOD PIPELINE


## RELEVANCE


**SECTOR**  
FLOOD PREVENTION 


**PROCUREMENT**  
 Construction of a flood protection pipeline network in areas of the municipalities of Nikala-Agios Ioannis Rentis and Moschato-Tavros

**EXPECTED # OF BENEFICIARIES**  
**30,000**

**KEY STATS**

 **5 OUT OF 54**  
major flooding incidents in the Attika Region in the last 100 years have occurred in the Municipality of **Moschato-Tavros**

 **2 OUT OF 54**  
major flooding incidents in the Attika Region in the last 100 years have occurred in the Municipality of **Nikala-Agios Ioannis Rentis**

 The flood protection project monitored is included among **PRIORITY A** projects to be funded by the 2014-2020 Regional Operational Program of Attica

## PROJECT

**LOCATION**

 **GREECE**  
Municipalities of Nikala-Agios Ioannis Rentis and Moschato-Tavros, Attika Region

**TIMELINE**

- 01/01/2016 Start of IP project
- 20/04/2018 Signature of IP by CA
- 28/03/2019 Contract signature and accession of contractor to the IP
- 17/03/2020 Start of works
- 08/2020 Cessation of works
- 12/2021 Request for termination of contract by the contractor
- 05/09/2018 Tender closure
- 31/12/2018 Original end of project
- 09/2019 First monitoring report publication
- 7/2020 Second monitoring report publication
- 11/2020 Third monitoring report publication

## MAIN RECOMMENDATIONS

-  The Contracting Authority (CA) should descriptively specify the qualitative selection criteria it chooses to set (economic and financial standing and / or technical and professional capacity), thereby making the essential information clear and readily available for all possible bidders — both domestic and foreign. The recommendation could contribute to increased competition (potential wider participation of bidders). Taken on board.
- The CA should include a detailed description of the publicity activities to promote the flood protection work. This is essential to evaluate and justify the costs incurred. Not taken on board.

## COSTS

 **TENDER BUDGET: €12.2 MILLION**  
**CONTRACT VALUE: €5.3 MILLION**

European Regional Development Fund: 80%  
Public Investments Program (national resources): 20%

## IRREGULARITIES

-  During the drafting of tender documents by the CA, eligibility for participation in the contract award procedure was foreseen only for companies registered in specific classes of the Register of Contractors: Enterprises and not for all enterprises operating in the specific category under which the project falls (ex. Hydraulics projects). This limitation could lead to restriction of competition, by excluding bidders who would otherwise be suitable. In the final version of the call, the CA omitted the precondition, as recommended.
- The Funding Decision included a special term regarding the completed expropriation of private properties before the signature of the contract. The term was not fulfilled as foreseen and is still pending, thus creating delays in the execution of works.

## MONITORING REPORTS

 **DOWNLOAD** the periodic monitoring reports at: <http://integritypact.gr/en/ekdosisei/>

## WHAT'S NEXT?

-  Publication of second monitoring report
- Publication of second newsletter
- Presentations to affected communities/municipalities
- Meetings with students

The 4<sup>th</sup> **Monitoring Report** drafted by the Independent Monitor (Transparency International Greece/IM) covers a time period from September 2020 to early January 2021 and includes a brief description of the project's progress, as evidenced by the review and study of documents provided by the Contractor (ILION ELLKAT SA) and the Contracting Authority (Attica Region). In addition, the report includes findings and observations on the most important points at the IM's discretion.



### Progress of works-Implementation Schedule

The duration of the project has been set by the contract at 30 months (21/3/2019 to 28/9/2021). According to the approved schedule, by the beginning of January 2021, all sewage pipes on Thessalonikis Street (in Moschato municipality) should have been reconstructed so as to be possible to relocate the existing sewage network, and in addition 50% of all important antiflood network works should have been completed for Collectors 1 & 2 in the municipalities of Nikaia-Agios Ioannis Rentis and Moschato-Tavros respectively.

21 months after the signing of the Contract and 9 months before its foreseen completion, only a small percentage of the new sewage network on Thessalonikis Street in the Moschato area and a small percentage of the required exploratory sections for locating other existing networks throughout the project areas have been completed.

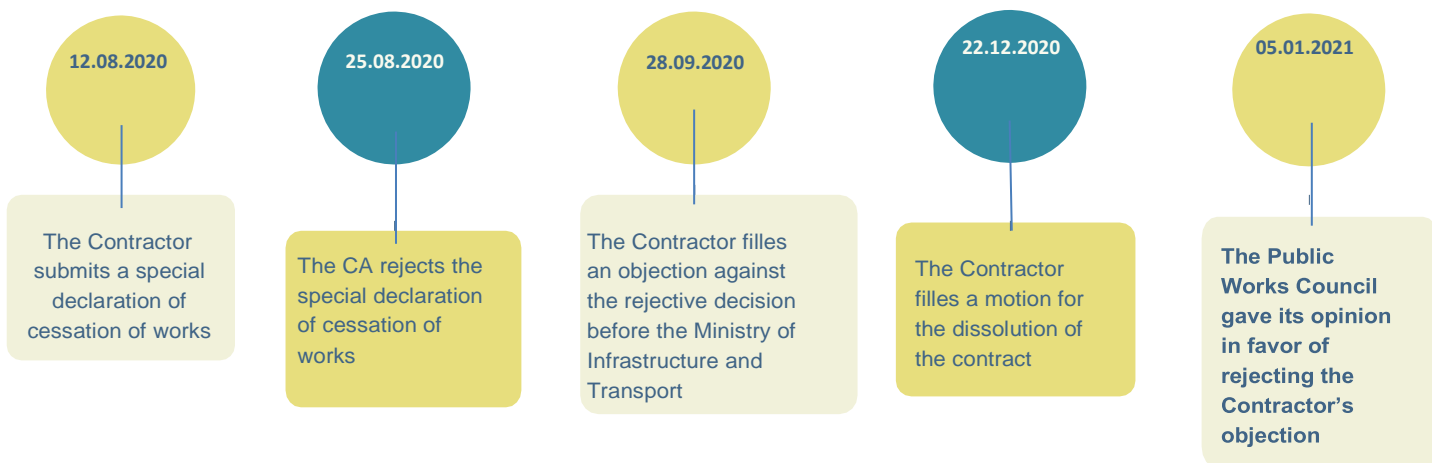
In fact, during the reporting period for the current monitoring report, in the last four months of 2020, **no work** was carried out in the areas of the two Municipalities.

#### SUBMISSION OF DECLARATION OF CESSATION OF WORKS BY THE CONTRACTOR

In August 2020, the Contractor submitted a special declaration for the cessation of works, citing inability to continue works while alleging that the Contracting Authority (Attica Region) bears sole liability. The reasons cited relate, inter alia: a) for the Collector S1: to non-completion of the procedures for the expropriation of properties in the area of the Municipality of Nikaia - Agios Ioannis Rentis and b) for Collector S2: i) to the significant 9-month delay in approving the study of traffic regulations and ii) to the need to relocate a significant number of existing public utilities networks;

The Contracting Authority (CA), rejected the Contractor's declaration and denied its liability. It actually invoked improper fulfillment of the Contractor's contractual obligations and stated that the reasons alleged by the Contractor did not constitute grounds for termination of operations.

## Independent Monitor: Observations & Comments



More specifically, the Contracting Authority (CA) rejected the Contractor's special declaration of cessation of works, citing, inter alia:

a) regarding the part of the project that concerns the Collector S1, that the execution of specific works in the Municipality of Nikaia - Ag. Ioannis Renti is possible despite the non-completion of the expropriation of properties in specific areas.

b) with regard to the part of the project concerning the S2 Collector, that the reasons put forward by the Contractor may constitute grounds for the extension of the contractual deadline (and not the interruption of the works).

At the same time, the CA notes that the relocation of all impeding utilities networks within project areas is already underway and that finally any possible shortcomings in the technical designs do not pose adequate reasons for the termination of works, but are a reason to activate the process of locating and correcting them.

Opposing the rejective decision by the Contracting Authority, the Contractor filled an objection before the Ministry of Infrastructure and Transport. Following this, the Public Works Council, after three meetings, gave a majority opinion in favor of rejecting the Contractor's objection and the decision of the competent Minister is now expected.

The submission of the above mentioned special declaration of cessation of works by the Contractor in August 2020 and the non-execution of works since then, in combination with the already existing obstacles in the implementation of the project -that have been mentioned in previous reports by the Independent Monitor ([2nd](#) and [3rd](#))- make the pending Ministerial decision on the objection crucial not only for the continuation of works, but also for the project itself since there are only 9 months left until the expiration of the deadline for its completion according to the current Contract.





During the reporting period the Contractor did not submit work measurements or payment requests, and no works acceptances or payments were made.

### **New or extra works- Modification of the technical designs**

No modifications to the technical designs, or other new or urgent works were proposed or approved during the reporting period (Sep 2020 - Jan 2021).

### **RESPONSE TO INDEPENDENT MONITOR'S REQUESTS**

The communication between the Independent Monitor (IM) and the Contracting Authority (Attica Region) continued smoothly for the needs of publication of the current Report, despite the special conditions created by the COVID-19 pandemic.

The Contracting Authority submitted notes to the Independent Monitor on 18/9/2020, 7/10/2020, 30/10/2020, 2/11/2020, 3/12/2020 and 11/1/2021 regarding the project development, followed by written documentation.

The Contractor responded to a request from the Independent Monitor on 06 November 2020 and sent documents and information.

## COMMUNICATION AMONG INVOLVED PARTIES



Listed below are the most important communications between the Contracting Authority (CA) and the Contractor Company, as well as with other bodies during the period August '20 -January '21

**August 12, 2020**

The Contractor files a special declaration for the cessation of works.

**August 25, 2020**

The Contracting Authority rejects the Contractor's termination declaration.

**September 23, 2020**

The Contracting Authority informs the Contractor that the obstacles from the existing networks (fiber optics and water supply) have been removed, and that therefore the works for the relocation of the sewage pipeline on Thessalonikis Street can restart.

**September 28, 2020**

The Contractor files an objection before the Minister of Infrastructure and Transport against the decision rejecting the special declaration of cessation of works by the CA.

**October 27, 2020**

The Contracting Authority submits its opinion to the Public Works Council of the Ministry of Infrastructure and Transport regarding the Contractor's objection.

The Contracting Authority instructs the Contractor to restart the work of the project within five (5) working days.

**November 2, 2020**

The Contractor requests a specific front to restart works.

**November 3, 2020**

The Contracting Authority informs the Contractor that works may resume on the relocation of the existing sewage pipeline on Thessalonikis Street, ~~the~~ work that had been partially performed by the Contractor in the previous months.

**November 5, 2020**

The Contractor informs the Contracting Authority about technical problems as well as general design problems that prevent them from restarting works s at the proposed front.

**November 7, 2020**

The Contractor submits a notice for compensation for actual losses claiming reasons that fall under the responsibility of the Contracting Authority (in this case the Contractor invokes the reasons stated in the declaration of cessation of work).

**November 16, 2020**

The Contracting Authority suspends the 5-day deadline for the resumption of works imposed on October 27<sup>th</sup> due to measures for the Covid-19 pandemic.

**November 25, 2020**

The Athens Water Supply and Sewerage Company (EYDAP S.A.) approves the study submitted by the Contractor for the relocation of the existing sewage pipeline on Thessalonikis Street (Moschato).

**November 27, 2020**

The Attica Region (Contracting Authority) increases the budget of subproject 3 (for the relocation of the respective utility networks -EYDAP pipelines, fiber optic networks, etc.) by 900% and according to the following sub-amounts:

€ 250,000.00 for telecommunication networks

€ 250,000.00 for Natural Gas network

€ 350,000.00 for EYDAP networks

€ 50,000.00 for PPC networks

**900,000.00 € total**

**November 30, 2020**

The telecommunications company Cosmote informs the CA that the cost for the relocation of its networks on Thessaloniki Street amounts to 268,939.62 Euros (plus VAT.) The cost was approved by the CA, as well as the cost of 151,840.48 Euros incl. VAT, to EYDAP SA for the relocation of the water supply network on Thessalonikis Street.

**December 22, 2020**

The Contractor's objection to the rejection of the declaration for cessation of works, submitted on August 12, 2020 is discussed before the Public Works Council. The Council issues a majority opinion in favor of rejecting the Contractor's objection and orders the continuance of works. The relevant final ministerial decision is expected.

**December 24, 2020**

The Contracting Authority, following the approval of the study by EYDAP for Thessaloniki Str, sends a letter to the contractor documenting its position that works can be restarted at this point.

**January 5, 2021**

The Contractor submits a request for termination of the contract as a consequence of the cessation of works that they invoked.



### Civil Engineer - Technical Consultant

**Stefania-Tereza Giannaki** is a civil engineer, holding a Bachelor degree from the National Technical University of Athens with a specialization in hydraulic engineering and a Master's degree from ALBA in business management (MBA). She has over 10 year- experience as an engineering consultant in hydraulic works studies. Her area of expertise lies in the design and conduct of studies in water supply, irrigation and drainage of rainwater and wastewater. She has also participated as a representative of Greece's Technical Chamber in public procurement committees for the conclusion of public contracts, works and studies. She speaks Greek, English and German.

### Civil Engineer - Technical Consultant

**Stylianos Economidis** is a civil engineer, with extensive experience in public works and public procurement since 2000 when he completed his studies at the Polytechnic School of the Aristotle University of Thessaloniki. He has experience in the coordination and administration of construction sites as well as in the bureaucratic support of large hydraulic works and other infrastructure projects. He has collaborated with the technical services and the water supply and sewerage services of large municipalities, for the modification and correction of technical studies and during the construction of infrastructure projects, as well as in the elaboration of studies and tendering of new projects.

### Attorney at Law - Legal Consultant

**Emmanouela Papadochatzakis** is a lawyer, member of the Athens Bar Association, (entitled to plead before the Supreme Court), while she also holds an LLM from Katholieke Universiteit Leuven in Energy and Environment Law and is a member of the Union of Greek Public Law Lawyers. She is specialized in the field of public contracts, providing legal services as a consultant as well as before courts, both in the pre-contractual and the execution stage of public contracts. She has important court and advisory experience in administrative, civil and commercial law. She speaks Greek, English, German and Spanish.

### Learning and Innovation Coordinator

**Ioannis Souflis** is a Dr. Civil Engineer, business management advisor. He has participated in over 100 works in Greece and abroad in his capacity as a consultant and a project manager. He has experience in the sectors of public administration, public works and electronic governance. He has participated in important EU works and has worked as an expert with the UNEP (1990-1993). He has served as a member of the International Board of Directors of the Network for Environmental Technology Transfer (EU, 1990-1992), while he has cooperated with the Greek consultants' company INFOGROUP SA (consultant, 1986-1993), KPMG Consultants SA (consultant, deputy director, director 1997-2007) and OmniLink SA (Director 2007-2010). Since 2010, he has been working as an independent Consultant.



Visit the project's official website

[www.integritypact.gr](http://www.integritypact.gr)

Follow us on

TransparencyInternationalGreece



Transparency Greece

