Official Journal
of the European Union

EN
C series

C/2025/6258

19.12.2025

P10_TA(2025)0128

Implementation report on the Recovery and Resilience Facility

European Parliament resolution of 18 June 2025 on the implementation of the Recovery and Resilience Facility (2024/2085(INI))

(C/2025/6258)

The European Parliament,

— having regard to Article 175 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility ([1]) (RRF Regulation),

— having regard to Regulation (EU) 2023/435 of the European Parliament and of the Council of 27 February 2023 amending Regulation (EU) 2021/241 as regards REPowerEU chapters in recovery and resilience plans and amending Regulations (EU) No 1303/2013, (EU) 2021/1060 and (EU) 2021/1755, and Directive 2003/87/EC ([2]) (REPowerEU Regulation),

— having regard to Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget ([3]) (Rule of Law Conditionality Regulation),

— having regard to Council Regulation (EU, Euratom) 2024/765 of 29 February 2024 amending Regulation (EU, Euratom) 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027 ([4]) (MFF Regulation),

— having regard to the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources ([5]) (the IIA),

— having regard to Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union ([6]) (Financial Regulation),

— having regard to Regulation (EU) 2024/795 of the European Parliament and of the Council of 29 February 2024 establishing the Strategic Technologies for Europe Platform (STEP), and amending Directive 2003/87/EC and Regulations (EU) 2021/1058, (EU) 2021/1056, (EU) 2021/1057, (EU) No 1303/2013, (EU) No 223/2014, (EU) 2021/1060, (EU) 2021/523, (EU) 2021/695, (EU) 2021/697 and (EU) 2021/241 ([7]),

— having regard to Regulation (EU) 2024/1263 of the European Parliament and of the Council of 29 April 2024 on the effective coordination of economic policies and on multilateral budgetary surveillance and repealing Council Regulation (EC) No 1466/97 ([8]),

— having regard to its resolution of 23 June 2022 on the implementation of the Recovery and Resilience Facility ([9]),

— having regard to the Commission notice of 22 July 2024 entitled 'Guidance on recovery and resilience plans' ([10]),

— having regard to the Commission communication of 21 February 2024 on strengthening the EU through ambitious reforms and investments (COM(2024)0082),

([1]) OJ L 57, 18.2.2021, p. 17, ELI: http://data.europa.eu/eli/reg/2021/241/oj.
([2]) OJ L 63, 28.2.2023, p. 1, ELI: http://data.europa.eu/eli/reg/2023/435/oj.
([3]) OJ L 433 I, 22.12.2020, p. 1, ELI: http://data.europa.eu/eli/reg/2020/2092/oj.
([4]) OJ L, 2024/765, 29.2.2024, ELI: http://data.europa.eu/eli/reg/2024/765/oj.
([5]) OJ L 433 I, 22.12.2020, p. 28.
([6]) OJ L, 2024/2509, 26.9.2024, ELI: http://data.europa.eu/eli/reg/2024/2509/oj.
([7]) OJ L, 2024/795, 29.2.2024, ELI: http://data.europa.eu/eli/reg/2024/795/oj.
([8]) OJ L, 2024/1263, 30.4.2024, ELI: http://data.europa.eu/eli/reg/2024/1263/oj.
([9]) OJ C 32, 27.1.2023, p. 42.
([10]) OJ C, C/2024/4618, 22.7.2024, ELI: http://data.europa.eu/eli/C/2024/4618/oj.

— having regard to the Commission's third annual report of 10 October 2024 on the implementation of the Recovery and Resilience Facility (COM(2024)0474),

— having regard to the Court of Auditors' (ECA) annual report of 10 October 2024 on the implementation of the budget for the 2023 financial year, together with the institutions' replies,

— having regard to special report 13/2024 of the ECA of 2 September 2024 entitled 'Absorption of funds from the Recovery and Resilience Facility – Progressing with delays and risks remain regarding the completion of measures and therefore the achievement of RRF objectives', special report 14/2024 of the ECA of 11 September 2024 entitled 'Green transition – Unclear contribution from the Recovery and Resilience Facility', and special report 22/2024 of the ECA of 21 October 2024 entitled 'Double funding from the EU budget – Control systems lack essential elements to mitigate the increased risk resulting from the RRF model of financing not linked to costs',

— having regard to the study of December 2023 supporting the mid-term Evaluation of the Recovery and Resilience Facility,

— having regard to the European Public Prosecutor's Office (EPPO) 2024 annual report published on 3 March 2025,

— having regard to the report of September 2024 by Mario Draghi entitled 'The future of European competitiveness' (Draghi report),

— having regard to the opinion of the Committee of the Regions of 8 October 2024 entitled 'Mid-term review of the post-COVID European recovery plan (Recovery and Resilience Facility)' ([11]),

— having regard to the information published on the Recovery and Resilience Scoreboard (RRF Scoreboard),

— having regard to the Commission staff working document of 20 November 2024 entitled 'NGEU Green Bonds Allocation and Impact report 2024' (SWD(2024)0275),

— having regard to its in-house research, in-depth analysis and briefings related to the implementation of the RRF ([12]),

— having regard to its resolution of 18 January 2024 on the situation in Hungary and frozen EU funds ([13]),

— having regard to Rule 55 of its Rules of Procedure, as well as Article 1(1)(e) of, and Annex 3 to, the decision of the Conference of Presidents of 12 December 2002 on the procedure for granting authorisation to draw up own-initiative reports,

— having regard to the opinions of the Committee on Budgetary Control, the Committee on Employment and Social Affairs, the Committee on the Environment, Climate and Food Safety and the Committee on Transport and Tourism,

— having regard to the joint deliberations of the Committee on Budgets and the Committee on Economic and Monetary Affairs under Rule 59 of the Rules of Procedure,

— having regard to the report of the Committee on Budgets and the Committee on Economic and Monetary Affairs (A10-0098/2025),

A. whereas the Recovery and Resilience Facility (RRF) was created to make European economies and societies more sustainable, resilient and better prepared in the light of unprecedented crises in 2019 and 2022, by supporting Member States in financing strategic investments and in implementing reforms;

B. whereas reforms and investments under the RRF help to make the EU more resilient and less dependent by diversifying key supply chains and thereby strengthening the strategic autonomy of the EU; whereas reforms and investments under the RRF also generate European added value;

C. whereas the RRF, as well as other EU funds, such as the European instrument for temporary support to mitigate unemployment risks in an emergency, has helped to protect labour markets from the risk of long-term damage caused by the double economic shock of the pandemic and the energy crisis;

([11]) OJ C, C/2024/7057, 4.12.2024, ELI: http://data.europa.eu/eli/C/2024/7057/oj.

([12]) European Parliament, Think Tank https://www.europarl.europa.eu/thinktank/en/research/advanced-search?textualSearch=RRF&startDate=01%2F07%2F2019&endDate=&sort=RELEVANCE.

([13]) OJ C, C/2024/5742, 17.10.2024, ELI: http://data.europa.eu/eli/C/2024/5742/oj.

D. whereas RRF expenditure falls outside the ceilings of the multiannual financial framework (MFF) and borrowing proceeds constitute external assigned revenue; whereas Parliament regrets that they do not form part of the budgetary procedure; whereas based on the Financial Regulation's principle of transparency, citizens should know how and for what purpose funds are spent by the EU;

E. whereas, due to the lack of progress in introducing new own resources in the EU and the need to ensure the sustainability of the EU's repayment plan, a clear and reliable long-term funding strategy is essential to meet repayment obligations without forcing difficult trade-offs in the EU budget that could undermine future investments and policy priorities; whereas further discussions and concrete financial solutions will be necessary to secure the long-term viability of the EU's debt repayment plan;

F. whereas the borrowing costs for NextGenerationEU (NGEU) have to be borne by the EU budget and the actual costs exceed the 2020 projections by far as a result of the high interest rates; whereas the total costs for NGEU capital and interest repayments are projected to be around EUR 25 to 30 billion per year from 2028, equivalent to 15-20 % of the 2025 annual budget; whereas Parliament has insisted that the refinancing costs be placed over and above the MFF ceilings; whereas a three-step 'cascade mechanism' including a new special EURI instrument was introduced during the 2024 MFF revision to cover the significant cost overruns resulting from NGEU borrowing linked to major changes in the market conditions; whereas an agreement was reached during the 2025 budgetary procedure to follow an annual 50/50 benchmark, namely to finance the overrun costs in equal shares by the special EURI instrument de-commitment compartment and the Flexibility Instrument;

G. whereas the bonds issued to finance the RRF are to be repaid in a manner that ensures the steady and predictable reduction of liabilities, by 2058 at the latest; whereas the Council has yet to adopt the adjusted basket of new own resources proposed by the Commission, which raises concerns about the viability of the repayment of the debt undertaken under NGEU;

H. whereas the social dimension is a key aspect of the RRF, contributing to upward economic and social convergence, restoring and promoting sustainable growth and fostering the creation of high-quality employment;

I. whereas the RRF should contribute to financing measures to strengthen the Member States' resilience to climate disasters, among other things, and enhance climate adaptation; whereas the Member States should conduct proper impact assessments for measures and should share best practice on the implementation of the 'do no significant harm' (DNSH) principle;

J. whereas the RRF plays an important role in supporting investments and reforms in sustainable mobility, smart transport infrastructure, alternative fuels and digital mobility solutions, thus enhancing connectivity and efficiency across the EU; whereas it is regrettable that only a few Member States chose to use the RRF to support investments, particularly in high-speed railway and waterway infrastructure, aimed at developing European corridors, despite the encouragement of cross-border and multi-country projects; whereas it is crucial to increase investments in transport infrastructure, particularly in underserved regions, to improve connectivity, support regional cohesion and contribute to the green transition;

K. whereas by 31 December 2024, Member States had submitted 95 payment requests and the level of RRF disbursements including pre-financing stood at EUR 197,46 billion in grants (55 % of the total grants envelope) and EUR 108,68 billion in loans (37 % of the total loans envelope); whereas three Member States have already received their fifth payment, while one Member State has not received any RRF funding; whereas all Member States have revised their national recovery and resilience plans (NRRP) at least once; whereas 28 % of milestones and targets have been satisfactorily fulfilled and the Commission has made use of the possibility to partially suspend payments where some milestones and targets linked to a payment request were not found to be satisfactorily fulfilled; whereas delays in the execution of planned reforms and investments, particularly in social infrastructure and public services, could lead to the underutilisation of available resources, thereby reducing the expected impact on economic growth, employment and social cohesion;

L. whereas the ECA has revealed various shortcomings of the RRF, in particular in relation to its design, its transparency and reporting, the risk of double funding and the implementation of twin transition measures;

M. whereas according to the ECA, performance is a measure of the extent to which an EU-funded action, project or programme has met its objectives and provides value for money; whereas moreover, financing not linked to costs does not, in itself, make an instrument performance-based;

N. whereas robust audit and control systems are crucial to protect the financial interests of the EU throughout the life cycle of the RRF; whereas the milestones commonly known as 'super milestones', in particular related to the rule of law, had to be fulfilled prior to any RRF disbursements;

O. whereas the RRF Regulation refers to the RRF's 'performance-based nature' but does not define 'performance'; whereas RRF performance should be linked to sound financial management principles and should measure how well an EU-funded action, project or programme has met its objectives and provided value for money;

P. whereas effective democratic control and parliamentary scrutiny over the implementation of the RRF require the full involvement of Parliament and the consideration of all its recommendations at all stages;

Q. whereas the Commission has to provide an independent *ex post* evaluation report on the implementation of the RRF by 31 December 2028, consisting of an assessment of the extent to which the objectives have been achieved, of the efficiency of the use of resources and of the European added value, as well as a global assessment of the RRF, and containing information on its impact in the long term;

R. whereas the purpose of this report is to monitor the implementation of the RRF, in accordance with Parliament's role as laid down in the RRF Regulation, by pointing to the benefits and shortcomings of the RRF, while drawing on the lessons learnt during its implementation;

Strengthening Europe's social and economic resilience

1. Highlights the fact that the RRF is an unprecedented instrument of solidarity in the light of two unprecedented crises and a cornerstone of the NGEU instrument, ending in 2026; emphasises the importance of drawing lessons from its implementation for the upcoming MFF, including as regards transparency, reporting and coherent measurement of deliverables; highlights the stabilising effect of the RRF for Member States at a time of great economic uncertainty, as it mitigates negative economic and social consequences and supports governments by contributing to the implementation of the European Pillar of Social Rights, by promoting economic recovery and competitiveness, boosting resilience and innovation, and by supporting the green and digital transitions;

2. Highlights the important role of the RRF in preventing the fragmentation of the internal market and the further deepening of macroeconomic divergence, in fostering social and territorial cohesion by providing macroeconomic stabilisation, and in offering assurance to the financial markets by improving investor confidence in turbulent times, thereby lowering yield spreads;

3. Welcomes the fact that the RRF is a one-off instrument providing additional fiscal space that has contributed to the prevention of considerable economic and social divergences between Member States with diverse fiscal space; highlights the Commission finding that the RRF has led to a sustained increase in investments across the EU and that the Commission expects the RRF to have a lasting impact across the EU beyond 2026, given its synergies with other EU funds; is, however, concerned that the RRF expiration in 2026 poses a significant risk of a substantial decline in public investment in common European priorities;

4. Recalls that the MFF and RRF combined amount to almost EUR 2 trillion for the 2021-2027 programming period, but points to the fact that the high inflation rates and the associated increases in the cost of goods and services have decreased the current value of European spending agreed in nominal terms;

5. Takes note of the Commission's projection in 2024 concerning the potential of NGEU's impact on the EU's real gross domestic product (GDP) by 2026, which is significantly lower than its simulation in 2020 (1,4 % compared with 2,3 %), due in part to adverse economic and geopolitical conditions, and of the estimation that NGEU could lead to a sizeable, short-run increase in EU employment by up to 0,8 %; notes that the long-term benefits of the RRF on GDP will likely exceed the budgetary commitments undertaken by up to three to six times, depending on the productivity effects of RRF investment and the diligent implementation of reforms and investments;

6. Highlights the difficulty of quantifying the precise social and economic impact of the RRF, as it takes time for the impact of reforms and investments to become clear; stresses the need for further independent evaluations to assess the effective impact of reforms and investments and for further improvements of the underlying methodology; notes the Commission's finding that approximately half of the expected increase in public investment between 2019 and 2025 is related to investment financed by the EU budget, particularly by the RRF, but notes that some investments have not yet delivered measurable impact;

7. Notes that the RRF has incentivised the implementation of some reforms included in the country-specific recommendations made in the context of the European Semester through the inclusion of such reforms in the NRRPs; underlines that there has been a qualitative leap forward in terms of monitoring RRF implementation; recalls that the RRF Scoreboard is used to monitor the progress made towards achieving milestones and targets, as well as compliance with horizontal principles, and in particular the six pillars, namely the green transition, the digital transformation, smart, sustainable and inclusive growth (including economic cohesion, jobs, productivity, competitiveness, research, development and innovation, and a well-functioning internal market with strong small and medium-sized enterprises (SMEs)), social and territorial cohesion, health, economic, social and institutional resilience with the aim of, inter alia, increasing crisis preparedness and crisis response capacity, and policies for the next generation, children and young people, such as education and skills; highlights that the overall uptake of country-specific recommendations made in the context of the European Semester remains low and has even dropped;

8. Highlights that in the context of the new economic governance framework, the set of reforms and investments underpinning an extension of the adjustment period should be consistent with the commitments included in the approved NRRPs during the period of operation of the RRF and the Partnership Agreement under the Common Provisions Regulation ([14]); observes that the five Member States that requested an extension of the adjustment period by 31 December 2024 relied partly on the reforms and investments already approved under the RRF to justify the extension; takes note of the fact that most Member States have included information on whether the reforms and investments listed in the medium-term fiscal-structural plans are linked to the RRF;

9. Welcomes the fact that the RRF provides support for both reforms and investments in the Member States, but notes with concern that the short timeframe for the remaining RRF implementation poses challenges to the completion of key reforms and large-scale investments that are to be finalised towards the end of the RRF and to the timely fulfilment of the 70 % of milestones and targets that are still pending;

10. Recalls that RRF expenditure should not substitute recurring national budgetary expenditure, unless duly justified, and should respect the principle of additionality of EU funding; insists that the firm, sustainable and verifiable implementation of non-recurrence, together with the targeting of clearly defined European objectives of reforms and investments, is key to ensure additionality and the long-lasting effect of additional European funds; recalls the need to uphold this principle and appeals against the crowding out or replacement of cohesion policy by the RRF or other temporary instruments, as cohesion policy remains essential for long-term sustainable territorial cohesion and convergence;

11. Highlights that prioritising RRF implementation, the lack of administrative capacity in many Member States and challenges posed by global supply chains have contributed to the delayed implementation of cohesion policy; calls on the Commission, in this context, to provide a comprehensive assessment of the RRF's impact on other financial instruments and public investments, technical support, and the administrative and absorption capacities of the Member States;

12. Recalls that, in reaction to Russia's war of aggression against Ukraine, the REPowerEU revision contributes to Europe's energy security by reducing its dependence on fossil fuels, diversifying its energy supplies, investing in European resources and infrastructure, tackling energy poverty and investing in energy savings and efficiency in all sectors, including transport; emphasises that through REPowerEU, an additional EUR 20 billion in grants was made available in 2023, including EUR 8 billion generated from the front-loading of Emissions Trading System allowances

([14]) Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159, ELI: http://data.europa.eu/eli/reg/2021/1060/oj).

and EUR 12 billion from the Innovation Fund; highlights Parliament's successes in negotiations, in particular on the provisions on replenishing the Innovation Fund, the 30 % funding target for cross-border projects, the focus of investments on tackling energy poverty for vulnerable households, SMEs and micro-enterprises, and the flexible use of unspent cohesion funds from the 2014-2020 MFF and of up to 7,5 % of national allocations under the 2021-2027 MFF;

13. Recalls its call to focus RRF interventions on measures with European added value and therefore regrets the shortage of viable cross-border or multi-country measures, including high-speed railway and sustainable mobility infrastructure projects for dual use that are essential for completing the TEN-T network, and the related risk of re-nationalising funding; notes that the broad scope of the RRF objectives has contributed to this by allowing a wide variety of nationally focused projects to fall within its remit;

14. Highlights the modification of Article 27 of the RRF Regulation through REPowerEU, which significantly strengthened the cross-border and multi-country dimensions of the RRF by encouraging the Member States to amend their NRRPs to add RepowerEU chapters, including a spending target of at least 30 % for such measures in order to guarantee the EU's energy autonomy; is concerned by the broad interpretation adopted by the Commission, which allows any reduction in (national) energy demand to make a case for a cross-border and multi-country dimension;

15. Welcomes the possibility of using RRF funding to contribute to the objectives of the Strategic Technologies for Europe Platform (STEP) by supporting investments in critical technologies in the EU in order to boost its industrial competitiveness; notes that no Member State has made use of the possibility to include in its NRRP an additional cash contribution to STEP objectives via the Member State compartment of InvestEU; recalls that Member States can still amend their national plans in that regard; expects the revision processes to be efficient, streamlined and simple, especially considering the final deadline of 2026, the current geopolitical context and the need to invest in European defence capabilities;

16. Recalls the application of the DNSH principle for all reforms and investments supported by the RRF, with a targeted derogation under REPowerEU for energy infrastructure and facilities needed to meet immediate security of supply needs; encourages the Commission to assess the feasibility of a more uniform interpretation of the DNSH principle between the RRF and the EU taxonomy for sustainable activities, while taking into account the specificities of the RRF as a public expenditure programme;

Financial aspects of the RRF

17. Stresses that the RRF is the first major performance-based instrument at EU level which is exclusively based on financing not linked to costs (FNLC); recalls that Article 8 of the RRF Regulation stipulates that the RRF must be implemented by the Commission in direct management in accordance with the relevant rules adopted pursuant to Article 322 TFEU, in particular the Financial Regulation and the Rule of Law Conditionality Regulation; regrets that the Council did not agree to insert specific rules in the Financial Regulation to address the risks of this delivery model, such as double funding; considers that the rules of the Financial Regulation should be fully applicable to future instruments based on FNLC, including as regards fines, penalties and sanctions;

18. Notes that only 13 Member States have requested loans and that EUR 92 billion of the EUR 385,8 billion available will remain unused since this amount was not committed by the deadline of 31 December 2023; takes note of the fact that loans were attractive for Member States that faced higher borrowing costs on the financial markets or that sought to compensate for a reduction in RRF grants; points out that some Member States have made limited use of RRF loans, either due to strong fiscal positions or administrative considerations; calls on the Commission to analyse the reasons for the low uptake in some Member States and to consider these findings when designing future EU financial instruments; notes with concern that national financial instruments to implement the NRRPs have not been sufficiently publicised, leading to limited awareness and uptake by potential beneficiaries; considers that a political discussion is needed on the use of unspent funds in the light of tight public budgets and urgent EU strategic priorities; calls for an assessment of how and under which conditions unused RRF funds could be redirected to boost Europe's competitiveness, resilience, defence, and social, economic and territorial cohesion, particularly through investments in digital and green technologies aligned with the RRF's original purpose;

19. Recalls the legal obligation to ensure full repayment of NGEU expenditure by 31 December 2058 at the latest; reminds the Council and the Commission of their legal commitment under the interinstitutional agreement concluded in 2020 to ensure a viable path to refinancing NGEU debt, including through sufficient proceeds from new own resources introduced after 2021 without any undue reduction in programme expenditure or investment instruments under the MFF; deplores the lack of progress made in this regard, which raises concerns regarding the viability of the repayment of the debt undertaken under NGEU, and urges the Council to adopt new own resources without delay and as a matter of urgency; urges the Commission, furthermore, to continue efforts to identify additional genuine new own resources beyond the IIA and linked to EU policies, in order to cover the high spending needs associated with the funding of new priorities and the repayment of NGEU debt;

20. Notes with concern the Commission's estimation that the total cost for NGEU capital and interest repayments are projected to be around EUR 25 to 30 billion per year from 2028, equivalent to 15-20 % of the 2025 annual budget; recalls that recourse to special instruments had to be made in the last three budgetary procedures to cover EURI instrument costs; highlights that the significant increase in financing costs puts pressure on the future EU budget and limits the capacity to respond to future challenges;

21. Takes note of the Commission's target to fund up to 30 % of NGEU costs by issuing greens bonds; notes that by 31 December 2024 the Commission had issued European green bonds amounting to EUR 68.2 billion;

Design and implementation of NRRPs

22. Notes that 47 % of the available RRF funds had been disbursed by 31 December 2024, with grants reaching 55 % and loans 37 %, which has resulted in a high proportion of measures still to be completed in 2025 and 2026; is concerned, however, about the ECA's finding that only 50 % of disbursed funds had reached final beneficiaries in 15 out of 22 Member States by October 2023; calls on the Commission to take the recommendations of the ECA duly into account in order to improve the functioning of any future performance-based instruments similar to the RRF, in particular in the context of a more targeted MFF;

23. Welcomes the fact that all Member States have surpassed the targets for the green (37 %) and the digital transitions (20 %), with average expenditure towards climate and digital objectives of the RRF as a whole standing at 42 % and 26 % respectively; notes that the ECA has cast doubt on how the implementation of RRF measures has contributed to the green transition and has recommended improvements to the methodologies used to estimate the impact of climate-related measures; highlights the fact that the same methodological deficiencies exist across all pillars of the RRF;

24. Notes the tangible impact that the RRF could have on social objectives, with Member States planning to spend around EUR 163 billion; underlines that such spending must be result-oriented, ensuring measurable economic and/or social benefits; stresses the need to accelerate investments in the development of rural, peripheral and outermost, isolated and remote areas, and in the fields of affordable housing, social protection and the integration of vulnerable groups, and youth employment, where expenditure is lagging behind; calls for an in-depth evaluation by the Commission, under the RRF Scoreboard, of the projects and reforms related to education and young people implemented by Member States under the RRF; regrets the delayed implementation of health objectives observed in certain Member States, given that the instrument should also improve the accessibility and capacity of health systems, and of key social infrastructure investments, including early childhood education and care facilities; stresses that these delays, in some cases linked to shifting budgetary priorities and revised national implementation timelines, risk undermining the achievement of the RRF's social cohesion objectives;

25. Reiterates its negotiating position to include targets for education (10 %) and for cultural activities (2 %); encourages the Commission's effort to evaluate these targets as a benchmark in its assessment of education policy in NRRPs, through the RRF Scoreboard;

26. Observes that a large majority of NRRPs include a specific section explaining how the plan addresses gender-related concerns and challenges; is concerned, however, that some NRRPs do not include an explanation of how the measures in the NRRP are expected to contribute to gender equality and equal opportunities for all and calls on the Member States concerned to add such explanations without delay;

27. Stresses the importance of reforms focusing on labour market fragmentation, fostering quality working conditions, addressing wage level inequalities, ensuring decent living conditions, and strengthening social dialogue, social protection and the social economy;

28. Notes the tangible impact that the RRF could have on the digital transformation objective, with EUR 166 billion allocated to corresponding plans; welcomes the contributions made under the smart, sustainable and inclusive growth pillar, in particular to competitiveness and support for SMEs; notes the need for an acceleration of investments in transnational cooperation, support for competitive enterprises leading innovation projects, and regulatory changes for smart, sustainable and inclusive growth, which are lagging behind;

29. Stresses that the success of EU investments depends on well-functioning capital markets; calls on the Member States to ensure a more effective and timely disbursement of funds, particularly for SMEs and young entrepreneurs, to streamline application procedures with a view to enhancing accessibility and to implement specific measures to provide targeted support to help them play a more prominent role in the process of smart and inclusive growth;

30. Is concerned that the achievement of milestones and targets lags behind the indicative timetable provided in the NRRPs, and that the pace of progress is uneven across Member States; regrets the time lag between the fulfilment of milestones and targets and the implementation of projects; highlights that the RRF will only achieve its long-term and short-term potential if the reform and investment components, respectively, are properly implemented; welcomes the fact that, following a slow start, RRF implementation has picked up since the second half of 2023 but significant delays affecting key reforms and investments still persist and have been attributed to various factors, including the revisions linked to the inclusion of REPowerEU, mounting inflation, the insufficient administrative capacity of Member States, in particular the smaller Member States, uncertainties regarding specific RRF implementation rules, high energy costs, supply shortages and an underestimation of the time needed to implement measures; notes that the postponement of key implementation deadlines by some governments to 2026 raises concerns about the capacity of some Member States to fully absorb the allocated funds within the set timeframe of the RRF; stresses the importance of maintaining a realistic and effective implementation schedule to prevent the risk of incomplete projects and missed opportunities for structural improvements; calls on the Commission to ensure that administrative bottlenecks are urgently addressed;

31. Recalls the modification of the RRF Regulation through the inclusion of the REPowerEU chapter; stresses the importance of the REPowerEU chapters in NRRPs and calls on the Member States to prioritise mature projects and implement their NRRPs more quickly, both in terms of reforms and investments, and, where necessary, to adjust NRRPs in line with the RRF's objectives, without undermining the overall balance and level of ambition of the NRRPs, in order to respond to challenges stemming from geopolitical events and to tackle current realities on the ground;

32. Highlights the fact that the RRF could have helped to mitigate the effects of the current EU-wide housing crisis; regrets that some Member States did not make use of this opportunity and stresses the importance for the Member States to accelerate investments in availability and affordability of housing;

33. Highlights the role of 'super milestones' in protecting the EU's financial interests against rule of law deficiencies and in ensuring the full implementation of the requirements under Article 22 of the RRF Regulation; welcomes the fact that all but one Member State have satisfactorily fulfilled their 'super milestones'; recalls that the Commission must recover any pre-financing that has not been netted against regular payment requests by the end of the RRF;

34. Notes the high administrative burden and complexity brought by the RRF; stresses the considerable efforts required at national level to implement the RRF in parallel with structural funds; notes that between 2021 and 2024 the demand-driven Technical Support Instrument supported more than 500 RRF-related reforms in the Member States, directly or indirectly related to the preparation, amendment, revision and implementation of the NRRPs; takes note of the Commission guidance of July 2024 with simplifications and clarifications to streamline RRF implementation but expects the Commission to act swiftly on its promise to cut the administrative burden by 25 %; urges the Commission to give clear and targeted technical support to the Member States, allowing them to develop efficient administrative capacity to implement the milestones and targets; calls on the Commission to decrease the level of complexity of EU public procurement rules which apply to higher-value contracts;

35. Expresses concern over the complexity of application procedures for RRF funding, particularly for SMEs and non-governmental organisations, which require external consultancy services even for small grants; emphasises that such bureaucratic obstacles contradict the original objectives of the RRF, which aimed to provide rapid and direct financial support; calls for an urgent simplification of application and reporting requirements, particularly for smaller beneficiaries, to maximise the absorption and impact of funds and to assist with their contribution to the green and digital transitions;

36. Believes that implementation delays underscore the risk that measures for which RRF funding has been paid will not be completed by the 2026 payment deadline; welcomes the Commission's statement at the Recovery and Resilience Dialogue (RRD) of 16 September 2024 that it will not reimburse non-implemented projects; considers it a shortcoming that RRF funds paid for milestones and targets assessed as fulfilled cannot be recovered if related measures are not eventually completed; encourages the Commission to take into account the ECA's recommendations related to this and to assess, in cooperation with the Member States, the measures most at risk of not being completed by 31 August 2026; stresses the importance of monitoring these measures, facilitating timely follow-up and working towards solutions to overcome delays;

37. Notes with concern that the remaining implementation timeframe of the RRF is too short for the implementation of many innovative projects; further notes that innovative projects, by definition, are more difficult to plan and more likely to encounter obstacles during implementation, making them unsuited to the RRF's strict deadlines; urges the Commission to create future programmes that are flexible enough to give proper answers in changing circumstances and that at the same time guarantee a certain degree of predictability;

38. Notes that some milestones and targets may be no longer achievable because of objective circumstances; stresses that any NRRP revisions should be made in accordance with the RRF Regulation, including the applicable deadlines, and should not entail backtracking on reforms, commitments or lower quality projects but should maintain the overall ambition and the efficiency of public spending;

39. Is concerned about the Commission's uneven assessment of NRRPs, which has led to double standards in the application of the Regulation; is further concerned about the uneven and different definition of milestones and targets from one NRRP to the other, as consistently reported by the ECA;

40. Highlights that the duration of the Commission's assessment of payment requests by Member States differs considerably among the Member States and stresses the need for more transparency from the Commission; urges the Commission to accelerate its assessments and to ensure the equal treatment of the Member States; highlights the need to ensure a level playing field across the EU for measures and indicators that are used to assess all RRF projects;

41. Urges the Member States to increase their efforts to address administrative bottlenecks and provide sufficient administrative capacity to accelerate RRF implementation in view of the 2026 deadline and to avoid concentrating RRF projects in more developed regions and capitals by enabling RRF funds to flow into projects in the most vulnerable regions, thereby serving the RRF's objective to enhance the EU's social, territorial and economic cohesion; emphasises the importance of fair regional distribution within the NRRPs while ensuring that RRF funds are allocated based on economic and social impact, feasibility and long-term benefits;

42. Calls for an 18-month extension of mature RRF projects through an amendment of the RRF Regulation by co-decision, if needed; emphasises that the envisaged extension of projects will be conducted by the Commission based on objective, clear and fair benchmarks; welcomes the possibility of establishing a targeted and performance-based prioritisation and transfer system after the 2026 deadline in order to allow for the finalisation of ongoing projects through other funding schemes, including the European Investment Fund and a possible new European competitiveness fund; urges the Commission to present a strategy to address the huge demand for public investment beyond 2026 without compromising budgetary resources in other critical areas;

43. Calls for an evaluation of how this framework could enable targeted investments in EU defence supply chains, strategic stockpiles and defence innovation, ensuring alignment with broader European security objectives;

44. Is concerned that some Member States might choose to forego parts of the amounts or entire amounts associated with their last payment request, thus avoiding the fulfilment of the last milestones and targets;

Transparency, monitoring and control

45. Takes note of the fact that the Commission had planned to conduct 112 RRF audits in all Member States in 2024; reminds the Commission of its obligation, in accordance with Article 24(9) of the RRF Regulation, to recover funding in case of incorrect disbursements or reversals of measures;

46. Notes that the Commission relies on its own methodologies when calculating partial payments and suspensions of funds; regrets that these methodologies were only developed two years after the start of the RRF implementation and without the consultation of Parliament;

47. Welcomes the extensive work of the ECA in relation to the RRF and deems it important to thoroughly assess its findings, in particular its findings that milestones and targets are often rather vague and output-oriented and are therefore not fit to measure results and impacts, and its findings regarding the risks of double funding resulting from overlaps with other policies; notes that the Commission has accepted many but not all of the ECA's recommendations; stresses that weaknesses in financial controls, as highlighted by the ECA, must be urgently addressed to prevent double funding, cost inefficiencies, and mismanagement of EU funds; calls for enhanced transparency and for the full consideration of the ECA's recommendations without adding unnecessary administrative burden;

48. Notes that the ECA considers that the RRF focuses on progress on implementation rather than performance, particularly because RRF-funded measures focus on outputs rather than results, vary in ambition, sometimes lack clarity and do not always cover a measure's key implementation stages, including completion;

49. Notes that the ECA's audits revealed several cases in which funding had been disbursed but the requirements related to the fulfilment of corresponding milestones and targets had not been adequately met; further notes that the Commission framework for assessing the 'satisfactory fulfilment' of the relevant milestones and targets contains discretionary elements, such as 'minimal deviation from a requirement' or 'proportional delays', and that the methodology for the determination of partial payments does not provide an explanation for the values chosen as coefficients, thereby leaving room for interpretation; asks the Commission to provide Parliament with further clarification;

50. Insists that, as a rule, measures already included in other national plans benefiting from EU funding (e.g. cohesion, agriculture, etc.) should not be included in NRRPs, even if they do not incur any costs; urges the Commission to remain vigilant and proactive in identifying any potential situation of double funding in particular in regard to the different implementation models of the RRF and other EU funding instruments;

51. Regrets the lack of a proper RRF audit trail and the persistent lack of transparency despite the bi-annual reporting requirement for Member States on the 100 largest final recipients, which was introduced into REPowerEU upon Parliament's request; regrets the delays in reporting by some Member States and the limited informative value of the information provided, which ultimately prevents compliance checks by the Commission or the ECA; reiterates its call for the lists of the largest final recipients for each Member State to be regularly updated and published on the RRF Scoreboard and to include information on the economic operators involved, including contractors and sub-contractors, and their beneficial owners, and not simply ministries or other government bodies or state companies; further regrets that the current definition of 'final recipient' leaves room for interpretation, resulting in different final beneficiaries for similar measures among Member States; calls on the Commission, in this context, to ensure a common understanding of what constitutes a 'final recipient' so that this can be applied consistently;

52. Is concerned about persistent weaknesses in national reporting and control mechanisms, due in part to absorption pressure affecting the capacity to detect ineligible expenditure and due to the complexity of the audit and control procedures, which created uncertainty in the Member States and an overload of administrative procedures; calls on the Commission to provide assurance on whether Member States' control systems function adequately and to check the compliance of RRF-funded investment projects with EU and national rules; calls for payments to be reduced and, where appropriate, amounts to be recovered in accordance with Article 22 of the RRF Regulation, should weaknesses persist in the national control systems; regrets the reliance on manual cross-checks and self-declarations by recipients of EU funds in the absence of interoperable IT tools and harmonised standards, despite the existence of tools such as

the Early Detection and Exclusion System and ARACHNE, whose use is currently not mandatory, thereby risking that expenditure is declared twice; recalls, in this regard, the reluctance of the Member States to make progress in developing the relevant IT tools in a timely manner;

53. Shares the view of the ECA that the FNLC model does not preclude reporting on actual costs; notes that having clear insights on costs also facilitates the work of control and oversight bodies, as well as the EPPO and the European Anti-Fraud Office (OLAF), and enables enhanced public scrutiny;

54. Reiterates the role of the RRF Scoreboard in providing information for citizens on the overall progress in the implementation of NRRPs; underlines the importance of the Scoreboard in strengthening transparency and calls on the Commission to increase the level of transparency and data visualisation in the Scoreboard;

55. Recalls that the reporting on the progress of implementation in the RRF Scoreboard is based on information provided by the Member States on a bi-annual basis;

56. Highlights the important role of the EPPO and OLAF in protecting the EU's financial interests; welcomes the fact that EPPO investigations into RRF-related fraud and corruption cases have led to several arrests, indictments and seizures of RRF funds; recalls that the EPPO was handling 307 active cases related to the RRF in 2024, corresponding to about 17 % of all expenditure fraud investigations and causing an estimated damage to the EU's financial interests of EUR 2,8 billion; expects the number of investigations to grow as RRF implementation advances; calls on the Commission to look into the management declarations of the Member States in terms of their reporting of detected fraud and the remedial measures taken;

Role of the European Parliament

57. Reiterates the importance of Parliament's role in scrutinising and monitoring the implementation of the RRF and in holding the Commission accountable; highlights Parliament's input provided through various channels, in particular through various plenary debates, parliamentary resolutions, bi-monthly RRD meetings with the responsible Commissioners, over 30 meetings of the standing working group on the scrutiny of the RRF, numerous parliamentary questions, the annual discharge procedure of the Commission and the regular flow of information and ad hoc requests for information from the Commission; regrets that the model of using milestones and targets to trigger disbursement was not accompanied by adequate budgetary control mechanisms, resulting in a diminished role for Parliament compared to its scrutiny of MFF spending;

58. Recalls Parliament's rights as laid down in Article 25 of the RRF Regulation, in particular the right to simultaneously receive from the Commission information that it transmits to the Council or any of its preparatory bodies in the context of the RRF Regulation or its implementation, as well as an overview of its preliminary findings concerning the satisfactory fulfilment of the relevant milestones and targets included in the NRRPs; encourages the sharing of relevant outcomes of discussions held in Council preparatory bodies with the competent parliamentary committees;

59. Recalls further the right of Parliament's competent committees to invite the Commission to provide information on the state of play of the assessment of the NRRPs in the context of the RRD meetings;

60. Regrets the fact that Parliament has no role in the design of NRRPs and is not consulted on payment requests; criticises furthermore the fact that Parliament has not been provided with a clear and traceable overview of the implementation status of projects and payments; expects to be informed about the context of NRRP revisions in order to make its own assessment of the revisions and to have an enhanced role in possible future instruments based on the RRF experience;

Stakeholder involvement

61. Regrets the insufficient involvement of local and regional authorities (LRAs), civil society organisations, social partners, national parliaments and other relevant stakeholders in the design, revision or implementation of NRRPs leading to worse policy outcomes, as well as limited ownership; regrets that in the design and implementation of the NRRPs, some Member States have clearly favoured some LRAs or stakeholders to the detriment of others; recalls that the participation of LRAs, national authorities and those responsible for developing these policies is crucial for the success of the RRF, as stated in Article 28 of the RRF Regulation; recalls that Parliament supported a binding provision in the RRF to establish a multilevel dialogue to engage relevant stakeholders and discuss the preparation and implementation of NRRPs with them, with a clear consultation period; calls, therefore, for the maximum possible stakeholder involvement in the implementation of NRRPs, in accordance with the national legal framework and based on clear and transparent principles;

62. Reiterates the need for regular interaction between national coordinating authorities and national stakeholders involved in the monitoring of the implementation of the NRRPs, in line with the principle of transparency and accountability; stresses that more regular and public communication from the national coordinating authorities is needed to ensure that updated information about the progress of the implementation of NRRPs is made available;

63. Stresses that decisions should be made at the level that is most appropriate; is convinced that the application of the partnership principle and a stronger involvement of LRAs could make project implementation more efficient, reduce disparities within Member States and result in more and better quality measures with a cross-border and multi-country dimension;

64. Believes that valuable lessons can be drawn from the RRF to be reflected in the design of performance-based instruments in the next MFF, in particular in the light of the EU's competitiveness and simplification agendas;

Lessons for the future

65. Believes that the combination of reforms and investments has proved successful but that a clearer link is needed between the two; highlights the importance of aligning any funding with the objectives of the instrument and disbursing it in line with the progress made towards them; insists that the level of ambition of NRRPs should not be lowered but should be commensurate with the RRF timeline to ensure their successful implementation;

66. Is convinced, as highlighted by the Draghi report, that boosting EU competitiveness, decarbonising the EU's economy and making it more circular and resource-efficient, as well as closing the skills gap, creating quality jobs and enhancing the EU's innovation capacity, will be central priorities beyond 2026; is concerned that a sizeable funding gap will arise after the RRF ceases to operate at the end of 2026, notably for public investment in common European priorities, since financial resources from national budgets vary significantly among Member States; highlights the need to use the lessons learned from the RRF to better leverage public and private investments with a view to addressing the financing gap in European objectives and transitions, which the Draghi report estimates at over EUR 800 billion annually, while ensuring seamless continuity of investments in common European goods;

67. Welcomes the enhanced use of financial instruments made possible by the option to channel RRF funds towards the Member States' compartment of InvestEU;

68. Urges the Commission to apply the lessons learned and the ECA's observations, and to ensure that future performance-based instruments are well-targeted, aligned with the aim of financing European public goods and prioritising the addressing of clearly defined strategic challenges, economic sustainability and competitiveness; calls for it to be ensured that all future instruments are designed to measure not only inputs or short-term outputs and progress but also results in terms of long-term impacts backed by outcomes;

69. Notes that, according to the ECA, it is essential that future performance-based instruments are not designed and implemented in a way that is detrimental to accountability and, in particular, that appropriate control systems are in place in the Member States and are checked by the Commission before implementation starts; notes that this would involve setting minimum requirements for the Member States' controls and the Commission's checks;

70. Calls on the Commission to conduct an independent evaluation and to report on the RRF impact on private investments at aggregate EU level, in particular on its potential crowding-out effect on private investments and its determinants; calls further for objective and clear analyses from the Commission on how the implementation of reforms and investments within the NRRPs affects the economies of the individual Member States, with special regard to smart, sustainable and inclusive growth; urges the Commission to take the lessons learned from these analyses and from the ECA's observations on the RRF implementation into account when drawing up its proposals for the next programming period;

71. Underlines that all EU-funded investments and reforms should be coordinated and coherent with strategic planning at national level and should focus on projects with a clear European added value; underlines the need for a spending target for cross-border and multi-country investments; calls on the Commission to develop a credible methodology to assess the cross-border and multi-country dimensions of EU funded projects;

72. Highlights that meaningful social and territorial dialogues with a high level of involvement of LRAs, social partners, civil society organisations and national parliaments within the national legal framework are essential for national ownership, successful implementation and democratic accountability; expresses concern over the insufficient involvement of all relevant stakeholders in the implementation and oversight of RRF-funded initiatives; stresses in particular that regions and city councils cannot be mere recipients of decisions, without being given the opportunity to have a say on reforms and investments that truly transform their territories;

73. Believes that it is essential to adopt differentiated strategies that recognise the cultural diversity of the various regions and enhance their economic and social cohesion instead of applying a homogeneous or one-size-fits-all approach that could be to the detriment of the less developed regions; calls, therefore, for dialogues with stakeholders to be strengthened and more diligently employed as they could inspire future initiatives and mechanisms in the EU and its Member States;

74. Underlines the requirement of the RRF Regulation to publicly display information about the origin of funding for projects funded by the EU to ensure buy-in from European citizens;

75. Highlights that the RRD meetings have been an important tool in enhancing transparency and accountability, which are crucial for the optimal implementation of the RRF;

76. Reiterates that further efforts are required to improve the transparency and traceability of the use of EU funds; stresses the need to ensure that data that is relevant for performance measurement is available and that information on performance is presented in a better and more transparent manner; stresses that the feedback mechanism between performance information and programme design or adjustment should be enhanced;

77. Considers that better training and capacity-building across all regions and authorities involved, in particular at national level, could have accelerated the RRF's implementation and enabled the implementing authorities to better adapt to the performance-based nature of the RRF; considers that the Commission could have assisted Member States more at the planning stage and provided earlier implementation guidance, in particular with a view to strengthening their audit and control systems and the cross-border dimension of the RRF;

78. Highlights the importance of mitigating the risk of double funding; suggests the deployment of an integrated and interoperable IT and data mining system and the development of clear standards for datasets to be applied across Member States, with a view to allowing comprehensive and automated expenditure tracking; calls for improved coordination mechanisms that define clear responsibilities among the bodies involved in the implementation of the various EU and national programmes, while avoiding unnecessary bureaucratic complexity and ensuring an efficient allocation of funds; encourages the integration of advanced data analytics and AI tools to enhance performance tracking, evaluation and reporting to alleviate manual workload and to streamline reporting processes; underlines that such progress can only happen if there is also operational support to digitalise administrations;

79. Strongly urges the Commission and the Member States to ensure that any type of EU FNLC or EU funding that is performance based complies with EU and national rules, ultimately protecting the financial interests of the EU; reiterates the accountability and responsibility of the Commission and the Member States to ensure the legality and the regularity of EU funding, as well as the respect of sound financial management principles;

80. Considers that the role of Parliament in the monitoring of the RRF should be further enhanced;

81. Calls for future performance-based instruments to have a single audit trail to trace budget contributions to the projects funded; underlines the need for project-level auditing to mitigate reputational risks in the eyes of the general public and to facilitate the recovery of funds in case measures are reversed; underlines the need to reduce administrative bottlenecks and burden;

82. Demands that any possible future performance-based programmes make clearer links between the milestones and targets and the actual projects being implemented; stresses that there should be less of a delay between the fulfilment of milestones and the implementation of projects;

83. Reiterates its call for an open platform which contains data on all projects, final recipients and the regional distribution of funding, thereby facilitating auditing and democratic oversight;

84. Stresses that any possible future budgetary decisions on EU borrowing should respect the unity of the budget and Parliament's role as part of the budgetary authority; highlights the risks of cost overruns for the repayment of debt, resulting inter alia from volatile interest rates; deems it important to ensure from the outset that sufficient funding is available to cover these costs without presenting a detriment to other programmes or political priorities;

85. Invites the Commission and the Member States to closely assess and learn from instruments and tools such as the RRF, in order to maximise the efficiency and impact of EU funding, investments and reforms, streamline policy objectives, improve the collaboration of the institutions and stakeholders at national and European level, and increase national ownership;

86. Notes the declared intention of the Commission to draw on the RRF experience when designing its proposals for the post-2027 EU funding programmes, due later this year; acknowledges that the independent *ex post* evaluation will come too late to feed into the process leading up to the next programming period, but expects the Commission and the co-legislators to take due account of the lessons learned from the RRF and of the recommendations of relevant stakeholders, in particular LRA, civil society organisations and social partners; believes that, as the EU plans for future economic resilience, there is also a need to further mobilise private investment, strengthen capital markets and ensure that public spending remains fiscally responsible and strategically targeted to make the EU more resilient and sovereign in an ever more conflictual geopolitical context;

°
° °

87. Instructs its President to forward this resolution to the Council, the Commission, and to the governments and parliaments of the Member States.