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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND
THE COUNCIL**

on the implementation of the Recovery and Resilience Facility

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Acronyms

CID	Council Implementing Decision
COVID-19	Coronavirus disease of 2019
CSR	Country-specific recommendation
ECA	European Court of Auditors
EUR	Euro (€)
EV	Electric vehicle
RRPs	Recovery and resilience plans
RRF	Recovery and Resilience Facility
R&D	Research and development
SMEs	Small and medium-sized enterprises
STEP	Strategic Technologies for Europe Platform

Executive summary

The Recovery and Resilience Facility (RRF) is the temporary crisis instrument at the heart of NextGenerationEU. The RRF supports Member States in recovering from the COVID-19 pandemic and make their economies and societies more resilient and competitive. It is a novel performance-based instrument, providing financial support to Member States for implementing a combination of reforms and investments, outlined in the recovery and resilience plans (RRPs) they agreed with the Commission. In line with its temporary nature, the RRF is subject to strict implementation and disbursement deadlines of 31 August and 31 December 2026, respectively. These deadlines have provided a strong incentive to swiftly implement the reforms and investments in the RRFs.

Over the past four years, the implementation of the RRF has progressed in a challenging environment marked by multiple crises. Russia's unprovoked war of aggression against Ukraine, the resulting energy crisis, high inflation, supply chain bottlenecks, and climate-related disasters have tested the resilience of our citizens and societies. In this context, the modifications of RRFs, including to add REPowerEU chapters and to reflect requests for additional loans, have directed funding towards new priorities and demonstrated the agile character of the instrument. All Member States' plans now include a REPowerEU chapter to support the diversification of the EU's energy supplies and help vulnerable households.

The RRF has fuelled Europe's recovery and generates visible impact across the EU. In contrast to previous crises, public investment was maintained in the aftermath of the COVID-19 crisis and is expected to rise to 3.8% of GDP in 2025, up from 3.2% in 2019¹. This increase is due to both national and EU investment, with the RRF playing a key role. The impact of the RRF however goes beyond the one coming from the direct injection of public funds in each Member State's economy. It also reflects important spillover effects coming from the impact that EU support generates in other Member States' economies. In some cases, such spillover effects can more than double the direct financial impact of the national RRF envelope in a Member State². In 2020-2030, the total financial impact of the RRF is estimated to amount to EUR 891.7 billion. This total includes direct impacts, amounting to EUR 546.2 billion, as well as spillover (indirect) impacts amounting to EUR 345.5 billion.

The RRF continues to incentivise the implementation of major reforms in Member States. One of the most effective features of the RRF is the combination of reforms and investments into a single, comprehensive plan. By front-loading reforms in the RRFs, the Facility has been instrumental in providing the necessary conditions in the Member States for subsequent investments to be more effective. The RRF has

¹ See European Commission's Spring 2025 Economic Forecast: [European Economic Forecast, Spring 2025](#).

² See Michels et al (2025), *Economic impacts of the Recovery and Resilience Facility: new insights at sectoral level and the case of Germany*, available at: [Economic Impacts of the Recovery and Resilience Facility: New Insights at Sectoral Level and the Case of Germany](#).

also fostered the implementation of key structural reforms recommended in the context of the European Semester.

Since the RRF's inception, the implementation of country-specific recommendations (CSRs) has increased significantly. Under the RRF, the CSR implementation rate by Member States increased by 17 percentage points compared to before the RRF. Member States have made progress, particularly regarding growth-enhancing reforms in such areas as access to finance, financial services and anti-money laundering, the business environment and the single market, and the labour market. These enduring reforms are expected to significantly bolster the long-term growth potential of Member States.

In the past 12 months, the Commission strengthened transparency and cooperation with the European Parliament, the Council, and Member States. The Commission engaged in regular meetings with the European Parliament, continued to hold meetings of the expert group on the RRF implementation with Member States, and hosted an Implementation Dialogue in Brussels (June 2025) bringing together national representatives to discuss administrative and reporting challenges. The Commission also contributed to improving the regularity and plausibility of Member States' reporting on the 100 largest final recipients. The latest analysis of this data confirms public entities as the main largest final recipients, with small and medium-sized enterprises (SMEs) featuring prominently among private entities. Moreover, through RRF events organised together with the Member States, the Facility and the positive changes it brings for citizens and firms were explained to the larger public.

Ensuring the legality and regularity of payments and protecting the EU's financial interests remain central to the RRF. Over the past year, the Commission strengthened its audit and control framework by adopting a dynamic approach and integrating recommendations from the ECA and the European Parliament. National control systems were assessed during RRP revisions, with audit and control milestones introduced where weaknesses were identified. Through robust *ex-ante* controls and risk-based *ex-post* audits, the Commission verified the legality and regularity of payments and confirmed the satisfactory fulfilment of milestones and targets. Compliance with public procurement and State aid rules was safeguarded through enhanced checks. Combatting fraud, corruption, and conflicts of interest remains a top priority, supported by reinforced cooperation with OLAF. Overall, Member States' systems show positive results, with improvements monitored by the Commission.

While substantial progress has been made and many success stories have materialised on the ground, implementation needs to accelerate in most Member States given the strict deadline to complete measures by August 2026. Disbursements under the RRF were fast in the second half of 2024, particularly for grant support, but slowed down in the first six months of 2025. With total disbursements standing at EUR 362 billion by 31 August 2025 related to the satisfactory fulfilment of 2 586 milestones and targets (out of a total of 6 985), around 44% of the RRF allocation

remains to be disbursed. Implementing the remainder of the RRF requires a continued commitment by all Member States.

Faster implementation in the remainder of 2025 and throughout 2026 is key. With the end of the RRF in sight, the Commission is working with Member States to ensure a smooth and successful closure of the instrument. The Communication *NextGenerationEU – The road to 2026*³, published on 4 June 2025, provides guidance to Member States on how to further streamline their RRP plans and focus on their essential elements, which options to consider when revising them, and how to plan ahead for the submission of the final payment requests in 2026. By streamlining their plans and ensuring that the remaining measures are fully implementable, Member States can maintain momentum, catch up with delays and successfully complete all measures by the 2026 deadlines. The Commission stands ready to provide continuous guidance and support throughout the process.

This report is the fourth in a series of yearly publications on the implementation of the RRF, in line with the requirements of Article 31 of the RRF Regulation⁴. The first chapter presents the state of play regarding disbursements, revisions of RRP plans, final recipient reporting, audit and control-related developments, and communication activities. Chapter 2 presents an overview of the results and impact of the RRF so far, with particular focus on the RRF policy pillars and REPowerEU, as well as progress with country-specific recommendations, the common indicators and bi-annual reporting by Member States. The cut-off date for all data and information included in this report is 31 August 2025, unless otherwise specified.

³ See COM(2025) 310 final/2 (2025) *NextGenerationEU – The road to 2026*, available at: [ad5f00c9-4101-41a0-9d8f-e78f06c0c7ed_en](#).

⁴ [Regulation \(EU\) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility](#).

1. State of play on the implementation of the RRF

With less than one year and a half before the end of the RRF, all efforts must be geared towards planning ahead for the submission of the last payment requests by 30 September 2026 and preparing for the final stretch of the Facility. While 31 December 2026 is the legal deadline for the Commission to make payments, 31 August 2026 is the deadline to complete all milestones and targets. Continued close cooperation between the Member States and Commission services will be crucial until the last moment of the Facility.

A. Implementation, disbursements and funding

Implementation and disbursements under the RRF have been fast, but remain uneven across Member States

As of 31 August 2025, over 55% of RRF funds have been disbursed to the Member States. Since the beginning of the RRF, 26 Member States have submitted 98 payment requests to the Commission, leading to the disbursement of EUR 362 billion. This total includes EUR 295 billion disbursed upon the submission of payment requests, EUR 56.6 billion in RRF pre-financing disbursed to 21 Member States until 31 December 2021, and EUR 10.4 billion in REPowerEU pre-financing disbursed to 21 Member States. During the reporting period, i.e. 1 September 2024 to 31 August 2025, the Commission disbursed EUR 97 billion, of which EUR 50 billion in grants and EUR 47 billion in loans. Table 1 provides a comprehensive overview of the payment requests submitted by Member States and the corresponding disbursements made by the Commission, covering both grants and loans.

Disbursements have been faster for non-repayable support (grants) than for loans, with more than 60% of the grant envelope disbursed. Of the total amount of funds disbursed so far, EUR 221 billion is non-repayable support (grants) (equating to 62% of total non-repayable support envelope), while EUR 141 billion has been disbursed in the form of loans (equating to 49% of the total loan envelope). The faster disbursement for grants reflects the fact that Member States prioritised grant over loan disbursements in the implementation of their RRFs. Moreover, a large portion of the loan support was only added with amendments to the initial recovery and resilience plans.

The funds disbursed reflect concrete achievements on the ground. The EUR 362 billion disbursed so far reflect the successful implementation of 2 586 milestones and targets out of the 6 985 milestones and targets included in the plans (37%).

Table 1: State of play on implementation of RRF payment requests, by 31 August 2025

	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE
21 pre-financing disbursed before 31 December 2021 and excluding REPowerEU pre-financing (EUR 56.6 billion)		▲					*										▲		▲		▲						▲
21 REPowerEU pre-financing disbursed (EUR 10.4 billion)		●			●		●									●			■								■
98 payment requests submitted to the Commission, including loans where relevant	3x	2x	4x	3x	2x	3x	3x	6x	5x	4x	7x	8x	5x	3x	4x	2x		3x	2x	3x	3x	7x	3x	4x	6x	2x	1x
82 payments disbursed upon satisfactory fulfilment of M&Ts (EUR 295 billion)	2x	1x	3x	3x	2x	3x	2x	5x	5x	4x	5x	7x	4x	3x	3x	2x		3x	2x	1x	2x	6x	3x	3x	5x	2x	1x

Note: * Ireland did not request any pre-financing. ▲ No pre-financing available as the Council Implementing Decision had not been adopted by 31 December 2021, which was a prerequisite for pre-financing. ● No REPowerEU pre-financing available as the REPowerEU chapter had not been adopted by 31 December 2023, which was a prerequisite for REPowerEU pre-financing. ■ The Netherlands and Sweden did not request any REPowerEU pre-financing.

Source: European Commission

The pace of implementation differs among Member States. Six Member States (Denmark, Estonia, France, Italy, Germany and Malta) have received payments corresponding to more than 65% of their total RRF envelope, and another four Member States (Greece, Latvia, Portugal and Slovakia) have received more than 50% of their allocation. 15 Member States (Austria, Belgium, Croatia, Cyprus, Czechia, Finland, Ireland, Lithuania, Luxembourg, Netherlands, Poland, Romania, Slovenia, Spain and Sweden) have reached disbursements amounting to more than 30% of their RRF allocation, while two Member States (Bulgaria and Hungary) remain below the 30% threshold.

With less than one year remaining until the August 2026 deadline, effective implementation of reforms and investments by Member States is increasingly urgent. In June 2025, the Commission issued CSRs on RRF implementation to all Member States, with the recommendations being tailored to reflect the scale and urgency of the required action. Member States whose RRP represents more than 3% of their GDP and who still need to fulfil over 85% of their milestones and targets (i.e. Bulgaria, Hungary and Romania) were recommended to urgently accelerate their implementation efforts, while Member States with between 85% and 50% of their milestones and targets still unfulfilled at the time (i.e. Croatia, Cyprus, Czechia, Greece, Italy, Latvia, Lithuania, Poland, Portugal, Slovakia, Slovenia, and Spain) were

recommended to increase their pace.⁵ Member States whose RRP represents less than 3% of their GDP were encouraged to complete implementation by August 2026.

The 2025 country-specific recommendations also encourage Member States to make use of the opportunities and incentives provided by the Strategic Technologies for Europe Platform (STEP), including the opportunity of allocating additional resources to the InvestEU Member State Compartment. Additionally, Member States can also increase absorption by supporting projects with a STEP Seal (as of September 2025, there are some 400 of these) to improve their own competitiveness as well as the competitiveness of the EU as a whole.

Member States should comprehensively review their RRP as soon as possible to ensure all milestones and targets can be implemented by 31 August 2026

In its June Communication *NextGenerationEU – The road to 2026*, the Commission urged Member States to streamline their RRP in order to optimise outcomes amid delays and the upcoming end of the RRF in 2026. The Communication provided guidance on revising plans, emphasising that only measures that can be fully implemented by 31 August 2026 should remain in the RRP. Measures whose full and timely implementation is unsure should be removed to prevent the decommitment of funds. Plan revisions should also serve as an opportunity to review the wording of measures, milestones and targets, to ensure they focus solely on essential elements. The aim is to simplify the implementation and assessment of the RRP and to minimise administrative burden, while adhering to the requirements under the RRF Regulation. The Commission strongly encourages Member States to undertake these plan revisions promptly, and at the latest by the end of 2025, to leave sufficient time for the implementation and assessment of all milestones and targets.

The suspension procedure remains little used

Since the inception of the RRF, less than 1% of milestones and targets have been suspended⁶. Specifically, 21 milestones and targets across 10 payment requests have been suspended since 2021 (see Table 2), representing 0.8% of all milestones and targets assessed by the Commission so far. The limited application of suspensions indicates that when facing implementation issues, Member States prefer delaying payment requests and/or revising their Commission Implementing Decisions (CIDs) to address such issues rather than opting for payment suspension.

Most suspended milestones and targets are implemented within the six-month suspension period leading to the suspensions being lifted. In most suspension

⁵ The cutoff date for the 2025 Country-specific recommendations is 4 June 2025. Member States have since continued implementing their RRP, leading to higher fulfilment shares for milestones and targets in some cases.

⁶ The partial payment methodology provides flexibility to disburse to Member States part of the funds, when a small number of milestones or targets are not yet satisfactorily fulfilled. Pursuant to Article 24(8) of the RRF Regulation, Member States have six additional months to undertake the necessary steps to ensure the satisfactory fulfilment of the suspended milestone(s) or target(s). Following this period, the Commission re-assesses the payment request and either lifts the suspension, if the specific milestone(s) or target(s) is (are) assessed as fulfilled or reduces the Member State's financial allocation if the milestones or targets remain not satisfactorily fulfilled.

cases, the relevant milestones and targets are re-assessed as satisfactorily fulfilled and the suspended funds subsequently disbursed. Of the EUR 1.09 billion suspended (in suspension procedures already closed), EUR 1.07 billion (98%) have been disbursed to the relevant Member States following the suspension period, whilst EUR 19.5 million (less than 2%) have been decommitted, as the milestones or targets remained non-satisfactorily fulfilled at the end of the suspension period. Currently, EUR 1.6 billion are currently suspended for Czechia, Romania and Spain (see Table 2).

The Commission encountered a first case of reversal under the RRF framework this year. A reversal occurs when a milestone or target initially assessed as satisfactorily fulfilled, and for which the Member State was paid, is later found to be no longer fulfilled due to actions attributable to the Member State⁷. If the Member State fails to rectify the situation, the Commission must put the EU budget in the same position as if that milestone or target had never been considered as fulfilled. The first case of reversal involves Spain, leading to the suspension of EUR 626.6 million from the fifth instalment of non-repayable support that was disbursed on 7 July 2025⁸. Spain has six months from the suspension to take corrective measures and ensure that the milestone can again be considered satisfactorily fulfilled.

Table 2: State-of-play of suspension decisions, at 31 August 2025

Member State	Amount suspended	Date of suspension decision	Number of milestones /targets suspended	Final outcome after suspension period
Lithuania	EUR 26.2 million (grants)	28/04/2023	2	Suspension lifted for EUR 17.5 million and EUR 8.7 million decommitted on 06/05/2024
Romania	EUR 53.4 million (loans)	21/09/2023	2	Suspension lifted for EUR 42.6 million and EUR 10.8 million decommitted on 18/12/2024
Portugal	EUR 810.5 million (grants)	22/12/2023	3	Suspension fully lifted on 26/07/2024
Spain	EUR 158.1 million (grants)	19/07/2024	1	Suspension fully lifted on 31/07/2025
Italy	EUR 110.1 million (grants)	26/07/2024	1	Suspension rescinded
Belgium	EUR 31 million (grants)	16/09/2024	1	Suspension rescinded
Cyprus	EUR 43.1 million (grants)	14/11/2024	1	Suspension fully lifted on 22/07/2025

⁷ In accordance with the second sentence of Article 24(3) of RRF Regulation. For further information on the reversal framework, see [Annex II of the 2023 RRF Annual Report \(COM\(2023\) 545 final\)](#), 19 September 2023.

⁸ See [Commission Implementing Decision of 7 July 2025 on the suspension of the subsequent disbursement\(s\) of the non-repayable support for Spain \(C\(2025\) 4643 final\)](#).

Czechia	EUR 260.3 million (grants)	18/12/2024	2	Suspension ongoing
Romania	EUR 869.8 million (EUR 814.4 million for grants and EUR 55.4 million for loans)	28/05/2025	6	Suspension period ongoing
Spain	EUR 626.6 million (reversal for grants)	07/07/2025	1	Suspension period ongoing
	EUR 500.3 million (grants)	31/07/2025	2	Suspension period ongoing

Source: European Commission's Recovery and Resilience Facility webpage, available at: https://commission.europa.eu/business-economy-euro/economic-recovery/recovery-and-resilience-facility/country-pages_en

The Commission has continued to issue EU bonds to finance the RRF

In 2025, the Commission continued to raise funds in the markets through its unified funding approach, ensuring swift payments to Member States. Under this approach, the Commission issues single branded EU bonds and allocates the proceeds to a central funding pool from which the EU's different policy programmes are funded. By 31 August 2025, the total amount of EU outstanding bonds stood at EUR 662.6 billion, of which EUR 75.1 billion in the form of NextGenerationEU Green Bonds. The Commission also continued to issue 3-month and 6-month EU bills to meet short-term funding needs. By 31 August 2025, the total amount of outstanding EU bills stood at EUR 33.3 billion. With the proceeds raised from EU bond issuances, the Commission has been able to continue the smooth funding of Member States' RRFs. The Commission has made all disbursements to Member States under the RRF as soon as they fell due.

In June, the Commission released its funding plan for the second semester of 2025. The funding plan for the second half of 2025 includes a funding target of up to EUR 70 billion of long-term EU bonds between July and end-December 2025. The funding plan for the second semester built on the completion of the EUR 90 billion funding target for the first semester of 2025, with issuances aiming to mobilise a total funding of around EUR 160 billion for 2025. This target builds on previous years' issuances (from EUR 120 billion in 2023 to EUR 140 billion in 2024) and reflects the increased funding needs over the next two years, including almost EUR 335 billion of RRF funds over its remaining lifetime.

NextGenerationEU Green Bonds underpin the Commission's commitment to sustainable finance

In 2020, the Commission announced its intention to fund up to 30% of NextGenerationEU by issuing Green Bonds. This demonstrates the Commission's

commitment to sustainable finance, bringing a new highly-rated and liquid-green asset to the market, giving access to green investments for a wide range of investors, and strengthening the role of the European Union and the euro in the sustainable finance markets. The NextGenerationEU Green Bonds not only signal the EU's strong commitment to sustainability, but also integrate green initiatives into the economic recovery from the COVID-19 pandemic, promoting a resilient and sustainable growth path for the future. Since its first issuance of Green Bonds in October 2021, the Commission has issued a total of EUR 75.1 billion of NextGenerationEU Green Bonds, with new issuances calibrated to correspond to reported green expenditure from Member States and to fund a wide array of green measures. The EU has become one of the world's largest issuers of green bonds, increasing this market by a significant amount. By adhering to the International Capital Market Association Green Bond Principles and ensuring transparent reporting, the EU sets a high standard in the Green Bond market, encouraging the flow of capital towards environmentally positive investments.

National expenditure to implement measures financed by NextGenerationEU Green Bonds are⁹ related mainly to energy efficiency measures (38% of allocated expenditure) and clean transport and infrastructure (35%). Clean energy and network are the third biggest category of expenditure with 8.9% of expenditure among nine expenditure categories to which NextGenerationEU Green Bonds proceeds can be allocated. Between 2024 to 2025 the pool of planned measures eligible for financing under NextGenerationEU Green Bonds has also remained largely stable, with only a slight decrease from EUR 264.6 billion to EUR 262.8 billion, due to minor adjustments as part of the revisions of the RRP.

In line with the reporting requirements of the NextGenerationEU Green Bond Framework, the Commission published in November 2024 the second comprehensive NextGenerationEU Green Bonds Allocation and Impact Report. The analysis shows that measures financed by these bonds can reduce greenhouse gas emissions by 54.7 million tonnes per year, equivalent to approximately 1.5% of EU annual greenhouse gas emissions for the year 2022. The next report will be published by the end of 2025.

B. Revision of RRPs

Member States frequently revise RRPs to address implementation bottlenecks

Member States continued to revise their RRPs to address implementation delays and mitigate external constraints. The lingering effects of past high inflation, supply chain disruptions, political instability and, in certain instances, natural disasters have posed challenges for some Member States to implement specific RRP measures. With the Commission's support, Member States used the flexibility embedded in the RRF Regulation to revise relevant measures and counter these external constraints. In

⁹ By 31 August 2025.

2023, Member States also revised their plans to reflect the updated financial allocations¹⁰ and incorporate REPowerEU chapters. Since then, Member States have increasingly used targeted revisions to address implementation bottlenecks (e.g. by clarifying the wording of the CID, replacing some investments, etc.). This pattern of regular revisions has continued throughout the reporting period (see Table 3). 23 Member States submitted targeted revisions during that time, and the Council adopted the last REPowerEU Chapter in July 2025¹¹.

Table 3: State of play on the submission of modified RRP and REPowerEU chapters by 31 August 2025

	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT	CY	LV	LT	LJ	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE
82 revisions submitted to the Commission	7x	2x	3x	3x	4x	1x	5x	4x	5x	1x	2x	5x	4x	2x	3x	3x	1x	2x	3x	2x	3x	4x	1x	3x	2x	4x	3x
79 revisions assessed by the Commission	6x	2x	3x	3x	4x	1x	5x	4x	5x	1x	2x	5x	4x	2x	3x	3x	1x	2x	3x	2x	3x	3x	1x	3x	2x	4x	2x
79 revisions adopted by Council	6x	2x	3x	3x	4x	1x	5x	4x	5x	1x	2x	5x	4x	2x	3x	3x	1x	2x	3x	2x	3x	3x	1x	3x	2x	4x	2x

Source: European Commission

The revised RRP continue to fully comply with the assessment criteria laid down in the RRF Regulation and include important reforms

All revised RRP support Member States in addressing their specific needs and continue to adequately support the green and digital transition. Most RRP revisions consisted in targeted revisions, where measures were adjusted or replaced by more suitable alternatives. Revised RRP must continue to comply with all the assessment criteria of the RRF Regulation, and the Commission closely verifies this in its assessment. All RRP continue to address all or a significant subset of the relevant CSRs and respect the do-no-significant-harm (DNSH) principle. Furthermore, at least 37% of all RRP allocations continue to contribute to climate objectives and at least 20% to digital objectives (see Figure 1). Overall, the share of *ex ante* estimated RRF costs that supports the climate continues to stand at 42%, whilst the share of estimated cost supporting digital policies remains at 25%, i.e. above the targets set in the RRF Regulation. Finally, the RRP continue to foster social convergence, with an estimated EUR 163.7 billion contributing to social policy measures¹².

All RRP include a wide range of key structural reforms that have the potential to boost long-term economic growth and strengthen structural resilience. A

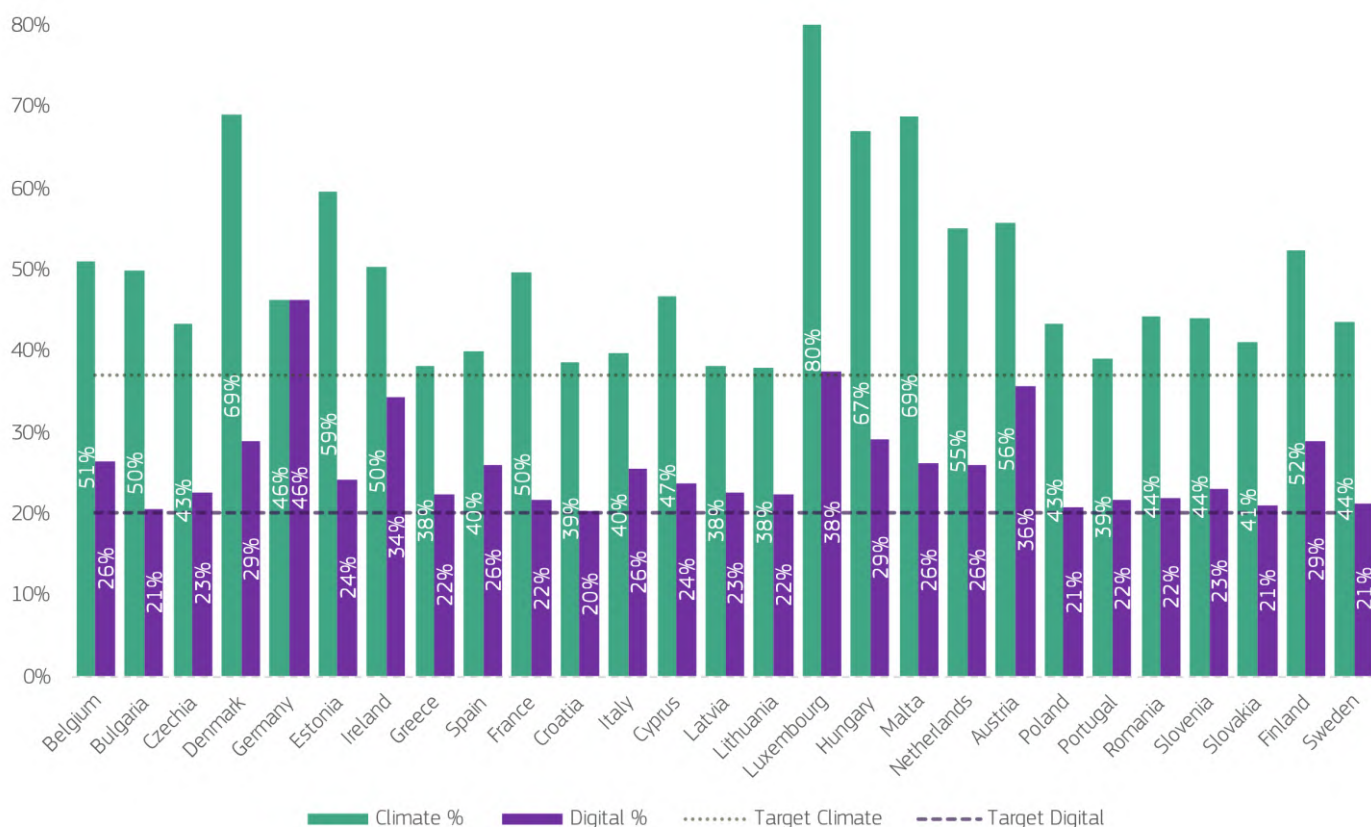
¹⁰ In line with Article 11(2) of the [RRF Regulation](#), the maximum financial contribution for non-repayable financial support of each Member State was updated in June 2022 on the basis of Eurostat outturn data on the change in real GDP growth over 2020 and the aggregate change in real GDP for the period 2020-2021.

¹¹ Bulgaria was the only Member State that had not submitted its REPowerEU chapter by 31 August 2024 (i.e. reporting period for the 2024 Annual Report). Bulgaria's REPowerEU chapter has since then been adopted by the Council on 18 July 2025.

¹² Given the importance of social spending in the aftermath of the COVID pandemic, the [RRF Regulation](#) empowered the Commission to adopt a delegated act establishing a methodology to report on estimated social expenditure, including on children and the youth, under the RRF (Article 29(4)b). The methodology adopted by the Commission classifies all estimated expenditure financed by the Facility relating to reforms and investments into nine broad policy areas, which are then aggregated into four social categories: (1) employment and skills, (2) education and childcare, (3) health and long-term care, and (4) social policies; see [Commission Delegated Regulation \(EU\) 2021/2105](#).

quarter of all RRF reforms (282 in total) target the quality of institutions, aiming to improve public administration (91 reforms), taxation systems (52), public procurement (17), and the judiciary, as well as anti-fraud and anti-corruption frameworks (84) (see Figure 2a). In addition, 17% of RRF reforms focus on improving the business environment, including by simplifying regulation, supporting research and development, enhancing financial market functioning, and facilitating the digitalisation of businesses. Among the reforms to improve skills and labour market outcomes are 105 reforms to strengthen education systems and 39 to improve labour market functioning. Another 35 reforms enhance the sustainability of social security and pension systems (see Figure 2b). Around 346 reforms are related to the green transition, notably in areas such as renewable energy and networks, sustainable mobility, climate change mitigation and energy efficiency.

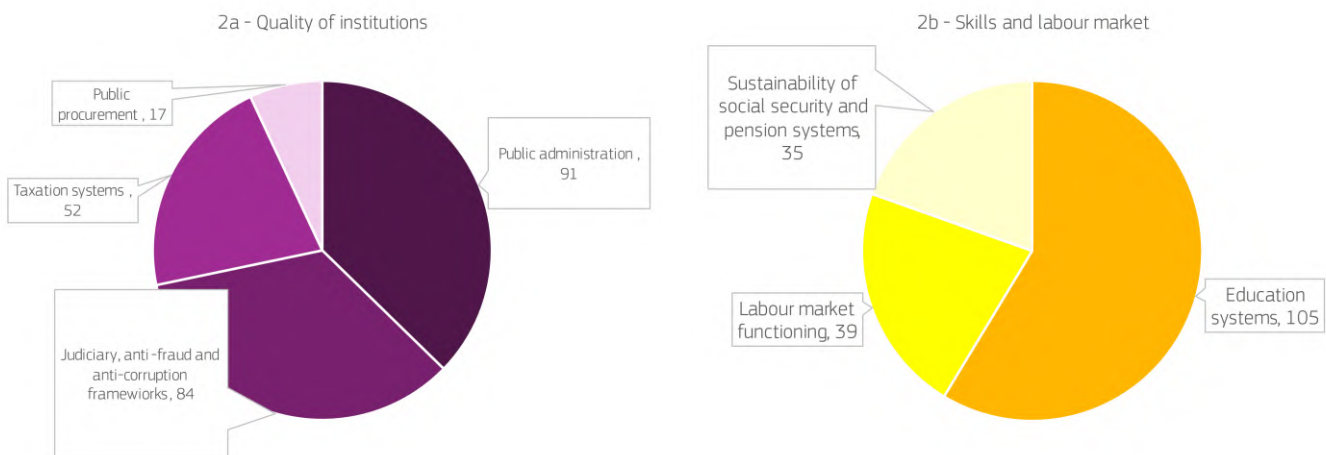
Figure 1: Share of RRFs estimated total allocation supporting climate and digital objectives, following revision of RRFs



Note: The RRFs had to specify and justify to what extent each measure contributes fully (100%) to, partly (40%) to or has no impact (0%) on the climate and/or digital objectives. The contributions to climate and digital objectives have been calculated using Annexes VI and VII of the RRF Regulation, respectively. Combining the coefficients with the cost estimates of each measure allows calculating to what degree the plans contribute to the climate and digital targets.

Source: Recovery and Resilience Scoreboard

Figures 2a and 2b: A number of structural reforms are included in the plans— in the area of Quality of institutions (left) and Skills and labour market (right)



Source: European Commission

C. Final recipients under the RRF

Member States' reporting on the 100 largest final recipients has improved in terms of regularity and comparability

In the 2024-2025 reporting rounds, data reporting practices became more regular in most Member States. Under the RRF Regulation, Member States must report twice per year on the 100 final recipients receiving the highest amount of funding for the implementation of measures under the RRF. During the last reporting round in April 2025, 25 Member States provided updated information on the 100 largest final recipients, with two Member States not providing an update. Most Member States align the publication of the lists with the bi-annual reporting schedule and report in April and October each year, as suggested by the Commission. The Commission centralises and publishes the data, as mandated under the RRF Regulation. It regularly reminds Member States of their existing reporting obligations and encourages them to follow the suggested bi-annual reporting schedule. The Commission also follows up with Member States that have not complied with their reporting obligations within the suggested timeline, which has led to more regular reporting overall in April and October.

The Commission supported Member States in implementing the reporting requirements and the European Parliament in further enhancing transparency regarding final recipients. To address possible unclarities among Member States regarding the definition of a “final recipient” under the RRF Regulation, the Commission clarified its guidance to Member States in Annex V to the 2024 RRF Annual Report¹³. It also organised a dedicated RRF expert group meeting on 6 April 2025 for Member States to share best practices and to prevent misinterpretations regarding final recipient reporting obligations. In addition, the Commission has verified the plausibility of the lists published by the Member States and followed up with national authorities as needed to ensure compliance. Moreover, the Commission supported the European Parliament in its efforts to enhance transparency on the use of funds beyond the

¹³ See [the 2024 RRF Annual Report Annex V](#).

requirements stemming from the RRF Regulation. In February 2025, the Commission communicated to all Member States the request by the Chair of the European Parliament Committee on Budgetary Control to provide the names of the 100 largest final recipients, including contractors and subcontractors. It subsequently shared the information received from Member States with the European Parliament.

To enhance transparency, Member States have developed various approaches to publishing information on the 100 largest final recipients. In line with the legal obligation, introduced with the REPowerEU-related amendment of the RRF Regulation in early 2023 to create an easy-to-use public portal for reporting purposes regarding final recipients, most Member States use existing accounting databases to extract information on final recipients, which they publish on publicly accessible national websites. Some Member States have created webpages that combine different RRF reporting requirements – for example, lists of final recipients and common indicators, as is the case for the Austrian Transparency Database. Others, such as Croatia, Slovenia and Czechia, publish not only the 100 largest final recipients under the RRF, but also information on other sources of funding, such as national and other EU funds. A few Member States update their lists more frequently than twice a year, as in the case of Italy (monthly) and Portugal (weekly). The Commission’s Recovery and Resilience Scoreboard¹⁴ provides links to these national websites, as well as stand-alone lists of the 100 largest final recipients including the measure descriptions. The data on final recipients also feeds into the map of projects supported by the RRF¹⁵.

Final recipients receive support for investments across all six RRF policy pillars, with a focus on the green transition, the digital transformation and on fostering smart, sustainable and inclusive growth

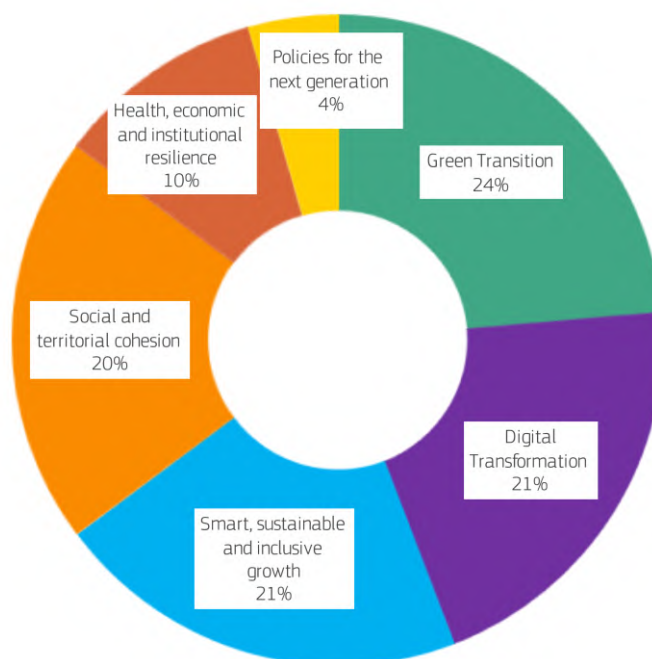
The reported data on final recipients shows that funding from the RRF is allocated across all six policy pillars (see Figure 3), reflecting the instrument’s ambition to deliver change across policy areas. According to the latest Member States’ reporting in 2025, the majority of the 100 largest final recipients have been engaged in measures that promote the green transition (23.6%) and foster smart, sustainable, and inclusive growth (20.6%). These are followed by measures supporting digital transformation (20.5%) and strengthening social and territorial cohesion (20.4%). Within the green transition pillar, the largest amounts received by final recipients relate to investments in sustainable mobility and energy efficiency. This also explains why rail infrastructure managing authorities and energy companies are often among the largest final recipients, particularly for implementing high-cost projects in the related pillar areas. Under the growth pillar, the RRF primarily supports measures related to research, development and innovation, building renovation and construction, and the cultural sector. E-government, digital public services, and business digitalisation are types of measure receiving the most funding under the digital transformation pillar. For

¹⁴ See https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/disbursements.html?table=finalRecipientByCountry.

¹⁵ See https://commission.europa.eu/business-economy-euro/economic-recovery/recovery-and-resilience-facility_en#map.

the smart, sustainable, and inclusive growth pillar, measures mainly focus on adult learning and territorial infrastructure and services.

Figure 3: Contribution towards the six policy pillars from the amounts received by the 100 largest final recipients



Source: European Commission's own calculation based on the final recipients' data provided by Member States

Member States' reporting shows that public entities but also SMEs figure prominently amongst the 100 largest final recipients

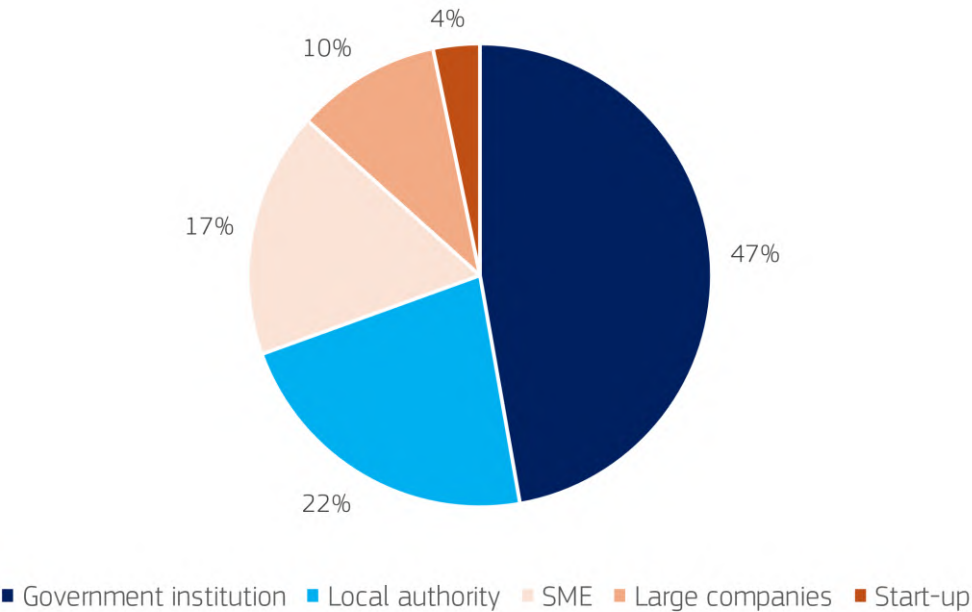
The largest final recipients under the RRF are mainly from the public sector. Around 70% of the entities reported by Member States in the context of their reporting on the 100 largest final recipients are public entities, comprising bodies from the governmental sector (68%) and local authorities (32%). This reflects the definition of a final recipient as set out in the RRF Regulation, which refers to the last entity receiving funds under the RRF, excluding contractors and sub-contractors. As a result, ministries, state agencies, state-owned companies, universities, schools, municipal companies, and local authorities are often the main final recipients of RRF funds, typically for the implementation of large-scale projects serving the public interest, often in the field of sustainable mobility and energy efficiency, even though the funds eventually often flow to contractors or subcontractors. For example, the Ministry of the Environment and Energy of Greece is the largest final recipient in the Greek plan for measures aimed at installing energy storage systems to increase renewable energy penetration. Public entities are also frequently represented by state-owned enterprises, such as *Administrador de Infraestructuras Ferroviarias*, the Spanish state-owned railway infrastructure manager, which is the largest final recipient for projects improving the quality and reliability of rail transport services, including track renewal, station upgrades, and improvements to electrification and signalling systems. In Italy, there is a similar case with *Rete Ferroviaria Italiana*, which receives funds to support the deployment of railway infrastructure for high-speed, freight, regional railways and

European Railways Traffic Management System. In some cases, a significant number of municipalities and local authorities are among the largest recipients. For example, Bulgaria’s list of largest final recipients includes 43 local authorities participating in modernising educational infrastructures.

Most final recipients from the private sector are SMEs. According to the latest reporting in 2025 (see Figure 4), around 30% of the largest final recipients as reported by Member States were private entities. Among them, SMEs form the largest group (56%), followed by large companies (33%). A sizeable share of private final beneficiaries were start-ups (11%). In a few Member States, such as Malta and Denmark, a large majority of the 100 largest final recipients are private entities. This reflects the focus of their RRP’s on measures supporting private companies – support for large companies in Denmark for research and development activities, and for SMEs in Malta, to promote the uptake of private electric vehicles. Cyprus has the highest representation of start-up companies, linked to its Innovation Funding Programme for SMEs and start-ups to develop open-access research infrastructures.

The funding received by the largest final recipients in each Member State varies significantly across Member States. The highest amount received by a final recipient is approximately EUR 10.6 billion (Italy, *Rete Ferroviaria Italiana*) for one of the country’s largest railway investments, while the lowest amount is EUR 10 000 (Luxembourg, *Commune de Grevenmacher*) to support municipal actions in natural environment and biodiversity conservation. The average amount received by the 100 largest final recipients is nearly EUR 45 million, while the median value stands at EUR 6 million.

Figure 4: The categories of the largest final recipients as reported in the lists of Member States



Source: European Commission’s own calculation based on the final recipients’ data provided by Member States.

D. Controls and audit in the implementation of the RRF

The Commission's RRF control framework is composed of two layers: controls to provide assurance on the legality and regularity of the disbursements to Member States and controls to ensure the adequate protection of the financial interests of the EU. Regarding the **legality and regularity of transactions**, the Commission conducts thorough *ex ante* controls prior to disbursing funds to Member States. These controls comprehensively verify that all milestones and targets included in the payment request have been satisfactorily fulfilled. Following the disbursement, the Commission carries out risk-based *ex post* audits on milestones and targets to obtain additional assurance on their satisfactorily fulfilment. In addition, to **ensure the adequate protection of the financial interests of the EU (PFIU)**, the Commission continues to assess each national control system at the time of endorsing revised RRP, to ensure it is robust and fit for purpose. When deficiencies in the control systems are detected, specific audit and control milestones are introduced in the revised RRP. Such milestones must be fulfilled before any future payment is made. The Commission also conducts risk-based system audits to check the procedures in place in Member States for preventing, detecting and correcting fraud, corruption, and conflicts of interests, as well as double funding. Finally, compliance audits verify the reliability of the audit work performed by national audit authorities, providing additional assurance in line with the single audit approach. In all types of audits, the Commission checks that Member States verify compliance with public procurement and State aid rules, including the effectiveness of such checks.

Ensuring the legality and regularity of payments and protecting the financial interests of the EU remains at the heart of the RRF

Between 1 September 2024 and 31 August 2025, the Commission carried out *ex post* audits on milestones and targets included in 19 payment requests¹⁶. The selection of milestones and targets for audit is informed by a risk assessment based on multiple factors¹⁷. As a result, the Commission audited a total of 57 out of 853 milestones and targets included in the related payment requests. The Commission found no evidence that the audited milestones and targets had not been satisfactorily fulfilled. Additionally, any discrepancies identified between the declared data and the audited data were within the 5% margin, which is the same threshold considered by the Commission in its *ex ante* assessment.

Regarding compliance with public procurement and State aid rules, the Commission continued to implement enhanced comprehensive checks in all types of audit work. Through its audits, the Commission verified that all Member States that received a payment between 1 September 2024 and 31 August 2025 had complied with their obligations to regularly check compliance with public procurement

¹⁶ These audits concern payment requests submitted by Belgium, Cyprus, Czechia, Denmark (September 2024 and March 2025), Estonia, France, Germany, Estonia, Greece, Italy (November 2024 and February 2025), Latvia, Lithuania, Netherlands, Portugal, Romania and Spain.

¹⁷ The risk assessment is based on a number of criteria, such as the type and number of implementing authorities, the type and number of final recipients, the tagging applied and the complexity of the verification mechanism.

and State aid rules, including the effectiveness of these checks. The European Court of Auditors (ECA) acknowledged the progress made through the use of comprehensive checklists and in March 2025 provided targeted recommendations for further improvement. To date, the Commission has already implemented five out of the seven accepted or partially accepted recommendations stemming from the Special Report 09/2025 on systems for ensuring compliance of RRF spending with public procurement and State aid and is further fine-tuning its audit work in line with the accepted recommendations.

Risk-based targeted system audits remain a priority for the Commission. Already by the end of 2023, the Commission had conducted at least one system audit on the protection of the financial interests of the EU (PFIU) in each Member State. In 2024, the Commission carried out system audits on PFIU in Belgium and Lithuania. In the first half of 2025, the Commission performed additional targeted system audits on PFIU in Ireland, France, Poland and Finland. These four audits covered two coordinating bodies, two national audit bodies and 187 implementing bodies, including ministries and agencies, which were selected based on a risk-assessment framework. Priority was given to Member States where controls on public procurement and State aid had not been carried out using the enhanced checklists adopted in September 2023. Looking ahead, the Commission aims to conduct system audits in two additional Member States (Spain and Sweden) by the end of 2025.

The current audit work reveals a positive overall picture of the implementation of internal control systems across Member States, although there is still room for improvement. Notably, different good practices were observed among audited implementing bodies, including the establishment of procedures to detect potential fraud, corruption, conflicts of interests, and double funding, leveraging data mining tools such as ARACHNE¹⁸. Furthermore, significant progress has been made in data collection in line with Article 22(2)(d) of the RRF Regulation. Nonetheless, areas for improvement remain, such as strengthening *ex ante* controls to prevent conflicts of interests, reinforcing procedures to verify the absence of double funding, ensuring compliance with publicity obligations, and improving the reporting of irregularities to OLAF. In response to these audit findings, Member States have already started to implement the necessary improvements, and the Commission is closely monitoring their implementation progress.

In line with the approach outlined in the RRF audit strategy (December 2023), the Commission has intensified its compliance audits, which assess the reliability of the work performed by national audit bodies. Between 1 September 2024 and 31 August 2025, the Commission conducted five compliance audits, or combined audits with compliance components. Specifically, three dedicated compliance audits were carried out in Finland, Poland and the Netherlands, while compliance audit components were integrated into two milestones and targets audits in Italy and

¹⁸ ARACHNE is an IT tool for data mining and data enrichment developed by the European Commission. ARACHNE helps identifying the projects drawing on several EU funds where a potential risk of double funding exists. It shows beneficiaries, contractors, subcontractors, partners, and consortium members involved in multiple projects irrespective of their role in the various projects.

Lithuania. By the end of August 2025, a total of 21 Member States had undergone a compliance audit or had been subject to an audit that included a compliance dimension. In line with the spirit of the single audit approach, in January 2025, the Commission clarified the prerequisites and conditions for relying on the work of national audit bodies in the framework of *ex post* audits. On this basis, the Commission takes into account the results from the compliance audits as appropriate when selecting the milestones and targets subject to audit. This aims to facilitate complementarity between national and European audits authorities, minimise audit duplications, and enhance the overall efficiency of audit work.

The fight against fraud, corruption, and conflicts of interests is a top priority for the Commission. In line with Article 22 of RRF Regulation, it is primarily the Member States' responsibility to prevent, detect and correct serious irregularities, including fraud, corruption and conflicts of interests. However, the Commission controls that Member States fulfil their obligations pursuant to the RRF Regulation. In addition, the Commission has the right to reduce proportionately support under the RRF and recover any amount due to the EU budget in cases of serious irregularities affecting the financial interests of the EU that have not been corrected by the Member State.

To further strengthen the RRF anti-fraud governance at EU level, the Commission enhanced its cooperation with the European Anti-Fraud Office (OLAF). As of 31 August 2025, the Commission has notified OLAF on 37 cases of potential irregularities identified either during *ex-post* audits or from open sources in respect of RRF supported actions and OLAF informed the Commission of 40 other cases, making a total of 77 potential irregularities. As a result of its investigations, OLAF issued a total of thirteen recommendations as of 31 August 2025, comprising ten financial recommendations and three administrative recommendations concerning in total eight Member States.

On 8 May 2025, following one of the OLAF recommendations, the Commission adopted its first decision on the reduction of support by EUR 1.2 million for Slovakia in accordance with Article 22(5) of the RRF Regulation and Article 19(1) and (2)(a) of the Financing Agreement pursuant to the framework for "Reductions and Recoveries under the Recovery and Resilience Facility". The reduction was implemented together with the disbursement of the fifth payment to Slovakia on 10 July 2025.

The close cooperation between the Commission and the European Public Prosecutor's Office (EPPO) is also key to protecting the financial interests of the EU. Since the start of the implementation of the RRF and up to 31 August 2025, the EPPO has informed the Commission that they have opened 84 investigations, of which 73 were active cases in Court proceedings or ongoing investigations. Notably, 73% of the investigations relate to one measure in a single Member State. These figures demonstrate the effectiveness of national and EU level control systems in detecting conflicts of interests, fraud and corruption.

The Commission continued to engage with the European Court of Auditors (ECA) on a high number of audits and swiftly followed up on its recommendations

In addition to the audits carried out by the Commission itself, the implementation of the RRF is scrutinised by the ECA through audits on each individual grant payment as well as numerous performance audits on the RRF's setup or specific thematic areas. The ECA has so far audited all RRF grant payments made to Member States. In addition, the ECA has finalised 10 performance audits and two reviews dedicated to, or with a key focus on the RRF and covered the RRF in many other audits. In 2025, three of these 10 performance audits and a review specifically dedicated to the RRF have been published up to 31 August¹⁹. Seven additional ECA audits focusing on the RRF are ongoing and two further audits are expected to start by end of 2025. In addition, RRF-related matters are considered in ECA reviews and thematic special reports on specific policy areas.

The Commission has swiftly followed up on all relevant ECA recommendations that required further action. For 2024-2025, the Commission has received 47 RRF-related recommendations or sub-recommendations from ECA annual or special reports²⁰. After careful review, the Commission determined that 17 of these recommendations could not be implemented in line with the legal basis and objectives of the RRF Regulation and thus did not accept them, while 11 are recommendations for future instruments. Of the remaining 19 RRF-related recommendations received, the Commission considered that 15 had been implemented. This leaves four recommendations which are under implementation. Two of these will be implemented by the end of September 2025. Following the ECA's recommendations, the Commission has taken several concrete actions, including issuing additional guidance on the eligibility start date and the concept of substitution of national budgetary expenditure²¹, enhancing record keeping and documentation on its payment request assessments, organising exchanges of good practice amongst Member States, continuing to review milestones and targets under revision to ensure clarity of requirements, and providing further information on the RRFs' contribution to country-specific recommendations, as presented in this report.

Benefiting from the findings and recommendations from various audits²², the Commission has adopted a dynamic approach to audit and control and has further strengthened its audit and control framework for the RRF. In March 2025,

¹⁹ See [Special Report 09/2025 "Systems for ensuring compliance of RRF spending with public procurement and State aid rules"](#), [Special Report 10/2025 "Labour market reforms in the national recovery and resilience plans"](#), [Special Report 13/2025 "Support from the Recovery and Resilience Facility for the digital transition in EU Member States"](#) and [Review 02/2025: Performance-orientation, accountability and transparency – lessons to be learned from the weaknesses of the RRF | European Court of Auditors](#).

²⁰ See [ECA SPECIAL REPORT No 13 2024 - Absorption of funds from the RRF](#); See [ECA SPECIAL REPORT No 14 2024 - Green transition Unclear contribution from the RRF](#); See [ECA SPECIAL REPORT No 22 2024 - Double funding from the EU budget](#); See [ECA SPECIAL REPORT No 09 2025 – Systems for ensuring compliance of RRF spending with public procurement and State aid rules](#); See [ECA SPECIAL REPORT No 10 2025: Labour market reforms in the national recovery and resilience plans](#); See [ECA SPECIAL REPORT No 13 2025 - Support from the RRF for the digital transition in EU Member States](#); and see the [2023 ECA Annual Report](#).

²¹ See the RRF Annual Report 2024 [Annex II](#) and [Annex III](#).

²² These auditors include the Commission's Internal Audit Service, the European Court of Auditors, the European Council, and the European Parliament.

the Commission finalised a framework for the use of commitments from Member States in the context of the audit and control milestones under the RRF. In January 2025, the Commission also further refined the approach on how to address the risk of reversals, which are systematically considered during its own *ex post* audits on milestones and targets. The Commission also further expanded the audit work performed on national audit authorities, strengthening the effectiveness of their work and their detection capacity. This was done with the aim of relying more extensively on the work of national audit bodies in the context of *ex post* audits and is in line with the overall simplification efforts. Moreover, the Commission has continued to strengthen its control framework in the area of public procurement and State aid, by using enhanced comprehensive checklists in all type of audits, refining its audit approach and defining the number of procurement procedures to be checked in the Commission's audits per implementing body. The checklist on state aid was also further updated to reinforce the verifications performed at granting authority level. In addition, the Commission has further reinforced its assurance: it has clarified how audit observations made before the draft report stage and the status of implementation of audit recommendations are taken into account in the Member State's risk assessment, which underpins the declaration of assurance for RRF.

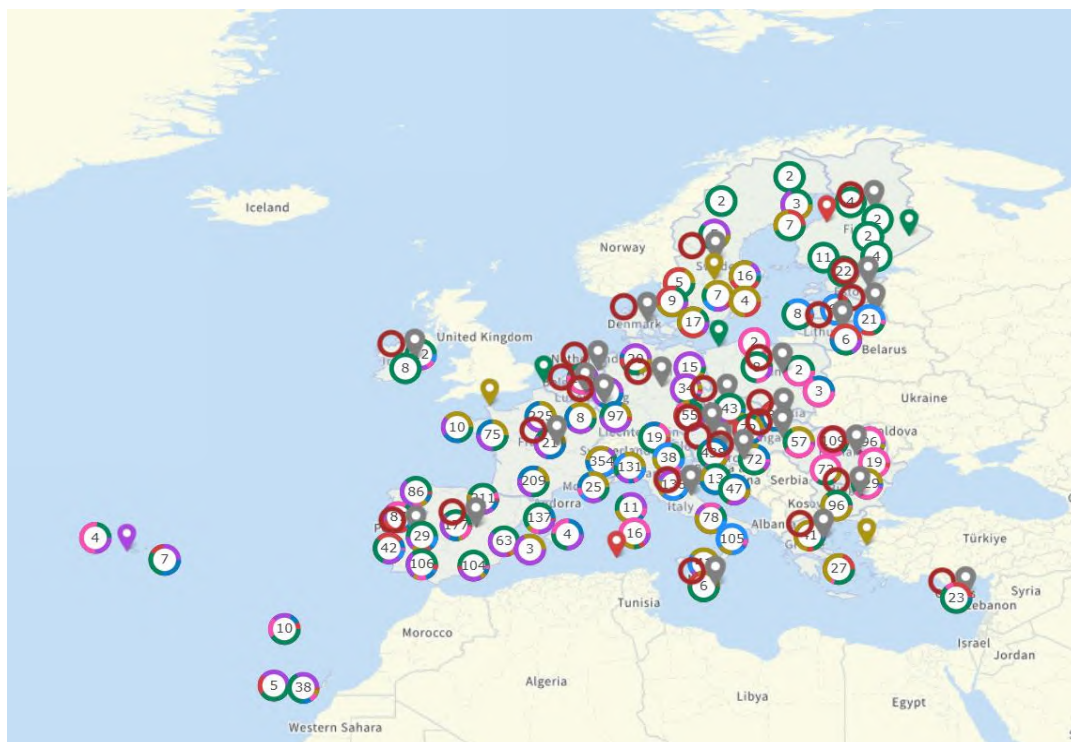
E. Communication and dialogues in 2024-2025

More than 1 300 projects have been added to the interactive RRF project map

The interactive map²³, launched in March 2023, showcases selected RRF-supported reforms and investments across Member States. Regularly updated by the Commission, it indicates each project's location, status, and links to further resources, including national RRF websites and, where available, project-specific pages. To date, the project map features over 3 000 projects across all Member States, with more than 1 300 added during the reporting period.

²³ Available at https://commission.europa.eu/business-economy-euro/economic-recovery/recovery-and-resilience-facility_en#map.

Picture 1: The interactive map showcasing selected RRF supported reforms and investments across Member States



Source: European Commission

The Commission continues to actively engage with the European Parliament, the Council and stakeholders

Throughout the implementation of the RRF, the Commission has maintained robust engagement with both the European Parliament and the Council, ensuring transparency and cooperation. The Commission continues its regular exchange with the European Parliament on a broad array of RRF-related topics. In the reporting period, the Executive Vice-President for Cohesion and Reforms and the Commissioner for Economy and Productivity have participated in four high-level Recovery and Resilience Dialogues²⁴ with Members of the European Parliament allowing for in-depth discussions on strategic priorities and progress. Overall, 20 Recovery and Resilience Dialogues have been held in total since the beginning of the Facility. Additionally, the Commission has taken part in three meetings with the Working Group of the joint ECON-BUDG Committees, providing insights and updates on procedural and policy matters. These meetings covered topics such as the economic and social impact of the RRF, the RRF control framework and fraud prevention system²⁵, supporting continued transparency and information sharing. The European Parliament as well as the Council also participate as observers in the meetings of the RRF Expert Group.

²⁴ The 20th Recovery and Resilience Dialogue took place on 8 September 2025, i.e. after this annual report's cut-off date.

²⁵ See [Information provided to the European Parliament or to the Council on the Recovery and Resilience Plans - European Commission](#).

The Commission also maintains its informal expert group to facilitate dialogue with Member States on RRF implementation, organising regular sessions to share insights and best practices. Serving as an essential platform for collaboration, the informal expert group on the implementation of the RRF has convened three meetings in the reporting period²⁶ covering a range of topics. Overall, 31 expert group meetings have taken place since the beginning of the Facility. In October 2024, the Commission presented the RRF Annual Report 2024 to the expert group. The meeting of April 2025 covered various policy topics such as transparency requirements, data collection under the RRF and update on the sampling methodology. The expert group meeting, held on 7 July 2025, covered topics such as the Commission's Communication *NextGenerationEU – The road to 2026*, RRP simplification, the EPPO's role and fraud prevention, and the economic impacts of the RRF.

The Commission hosted an Implementation Dialogue on the RRF in Brussels in June 2025, bringing together national representatives from 24 Member States in a hybrid format to discuss administrative and reporting challenges. Implementation Dialogues are a new consultation tool, where Commissioners meet with relevant stakeholders to seek feedback on how to facilitate the implementation of and simplify EU policies, rules, and spending programmes. Participants in this Dialogue identified the heavy workload in gathering evidence for milestones and targets as a main issue. In particular, the Member States pointed to several implementation bottlenecks, including the extensive evidence required for assessing measures, delays and frequent changes in guidance, and the absence of standardised requirements for CIDs. They also noted difficulties in linking measures to a clear intervention logic and in separating them from fixed instalments. The lack of synergies between the various audit authorities and the reporting requirements on final recipients were indicated as other type of challenges. Member States advocated for proportionate, risk-based assessments of milestones and targets and simpler audit structures, stressing the need for synergies with national audit authorities. Commissioner Dombrovskis committed to reflecting some of the feedback collected from the representatives in the upcoming simplification of RRP, following the Commission's Communication *NextGenerationEU – The road to 2026*.

²⁶ To date, there have been 31 meetings of the expert group. See [Register of Commission expert groups and other similar entities](#) for information on all meetings of the RRF informal expert group.

Picture 2: Participation of Valdis Dombrovskis, European Commissioner, to the Implementation Dialogue on the Recovery and Resilience Facility (RRF)



Source: European Commission

Member States continue to hold RRF events that are now also taking place outside capitals

Member States organise RRF events beyond capitals, bringing impact closer to communities. RRF events²⁷ bring together national authorities, Commission representatives, stakeholders (including social partners and civil society representatives) and recipients of RRF support to spotlight the progress in implementing the various projects proposed by Member States in their national RRP. To date, RRF events have taken place in most Member States, providing an opportunity to showcase how the RRF is making a tangible difference locally. These events take place in the context of regular RRP monitoring missions in the Member State. As the reforms and investments funded by the RRF are being successfully finalised and the number of finalised projects is increasing, the RRF events are often combined with project visits, giving the opportunity to present the results of the Recovery and Resilience Facility on the ground and to the local communities.

In 2025, some RRF events were held outside capital cities for the first time. For example, the French RRF event took place in Lille, with beneficiaries' testimonies and project visits highlighting the impact of the RRF in the Haut de France region. Similar events in other Member States also showed how the RRF supports communities across Europe, beyond the capitals.

²⁷ List of RRF events: [RRF events - European Commission](#).

Examples of RRF events

In January 2025, the RRF event in Croatia featured the participation of EVP Fitto, alongside Prime Minister Plenković. The focus was on competitiveness and the green transition in Croatia. The event was followed by project site visits in the town of Varaždin.

Picture 3: Participation of Raffaele Fitto, Executive Vice-President of the European Commission, to a RRF event in Croatia



Source: European Commission

In February 2025, the RRF event in Greece brought together key stakeholders to discuss two central themes: competitiveness priorities for both Greece and the EU, and a vision of a clean industrial deal that can drive sustainable growth across the region.

In February 2025, Commissioner Valdis Dombrovskis attended the RRF event in Riga, Latvia. During his keynote speech, he engaged with various stakeholders on Latvia's progress and future priorities under NextGenerationEU. The Commissioner also took part in a press briefing alongside Latvia's Finance Minister to discuss the implementation of the Latvian RRP. One of the panel discussions focused on maximizing the RRF benefits for people and regions, with the participation of Latvian rural forum.

Picture 4: Participation of Valdis Dombrovskis, European Commissioner, to a RRF event in Riga, Latvia



Source: European Commission

Successful communication actions and campaigns have been implemented at EU and national level. The last wave of the NextGenerationEU campaign in early 2025 showed how the RRF is boosting Europe's economy and making our societies stronger and more resilient, delivering tangible results for Europeans through its many projects²⁸. The campaign reached over 300 million citizens. Dedicated local campaigns showcasing local projects and testimonials also have been rolled out in several Member States. According to a Eurobarometer opinion poll, released in May 2025, 56% (+2 percentage points compared to autumn 2024) believe that NextGenerationEU can be effective in responding to the current economic challenges²⁹.

²⁸ [NextGenerationEU: for a stronger, more resilient Europe - European Union](#)

²⁹ See standard [Eurobarometer 103 - Spring 2025 - May 2025 - Eurobarometer survey](#)

2. Achievements under the Recovery and Resilience Facility so far

A. Absorption of RRF funds

RRF-related national expenditure is growing and catching up with grant disbursements, indicating that funds reach the real economy

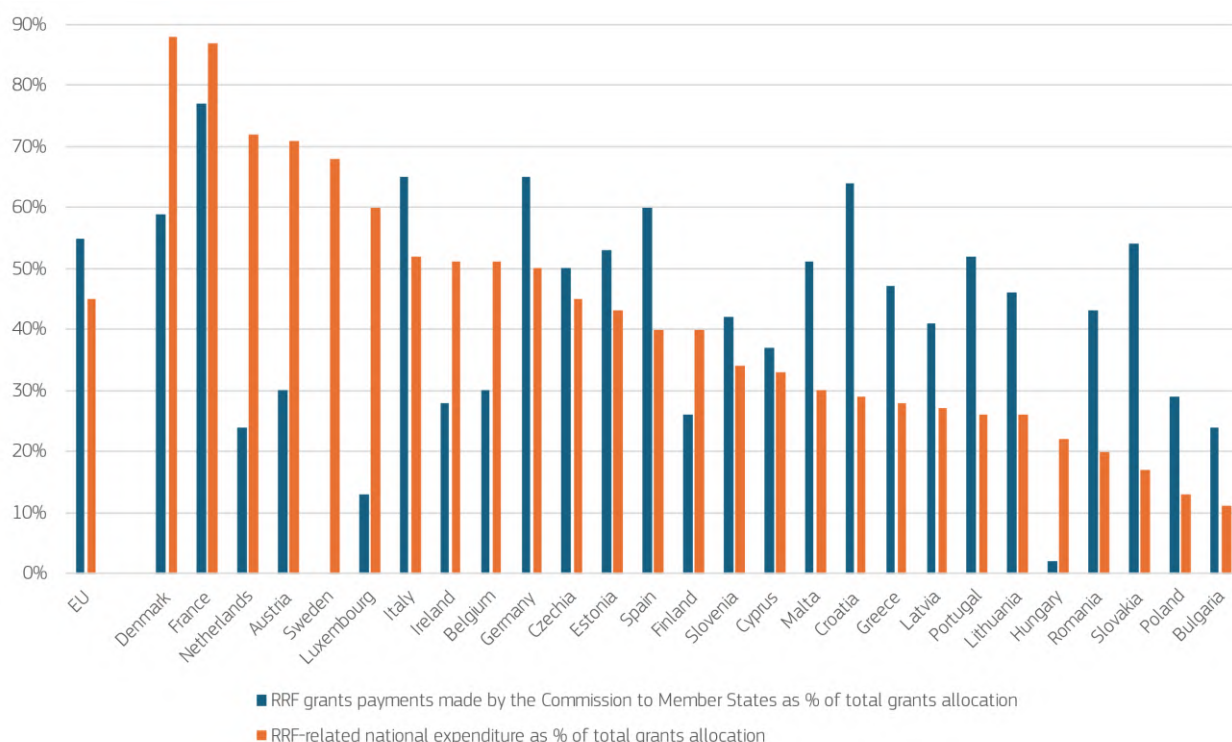
Absorption of RRF funds has increased in 2023 and 2024, especially regarding grant support. In the RRF context, “absorption” refers in this report to the national expenditure recorded by Member States to implement RRF measures financed by RRF grants³⁰, as a percentage of their total RRF grant allocation. In aggregate, national public expenditure related to measures financed by RRF grants increased from 20% of the total RRF grant allocation at the end of 2022, to 45% in 2024. At the same time, the Commission grant disbursements to Member States increased from 26% of the RRF grant envelope at the end of 2022 to 55% at the end of 2024. While RRF-related public expenditure lagged behind RRF grant payments to Member States in the first years of implementation, it has increased since and largely caught up with more than 80% of the funds received having been spent.

The difference between RRF disbursements to Member States and their recorded expenditure reflects the nature of the RRF as a performance-based instrument and its specific features. For the EU as a whole, the pace of RRF grant payments by the Commission to Member States has somewhat outstripped the relevant recorded expenditure (i.e. absorption) in Member States so far, as illustrated in Figure 5. This is linked to the specific design features of the RRF. First, it is due to the payment of prefinancing to most Member States once the initial RRFs are approved. Second, it is related to the fact that the first payments were usually linked to the implementation of reforms (which were often frontloaded and usually do not lead to financial costs for Member States) and milestones covering the first stages of the lifecycle of investment projects, which do not normally entail the recording of significant expenditure (e.g. design of projects, preparatory stages including launch of calls for tenders). Nevertheless, as investment projects are completed in the last years of the Facility, the recording of the related expenditure by Member States has been accelerating and is expected to accelerate further. At the same time, in some Member States, absorption has largely exceeded RRF grant payments (see Figure 5). This is because measures are being implemented on the ground, while the concerned Member States received few or no payments (this is the case, for instance, for Luxembourg, Belgium or Ireland, with few payments received during the time of

³⁰ This analysis focuses on the absorption of RRF grants, as RRF loans are used by a subset of Member States and are to a large extent supporting financial instruments, which have a more backloaded absorption profile. As of end-2024, Member States had recorded expenditure accounting for 12% of the RRF loans envelope, while 37% of the loan's envelope had been disbursed by the Commission.

reporting; and for Hungary³¹ and Sweden³², with no payments received in the reporting period upon a submitted payment request).

Figure 5: RRF grant payments made by the Commission to Member States, and RRF-related national expenditure, as % of total RRF grants allocation (2020-2024)



Note: Based on data reported to Eurostat by the national statistical institutes, published for the first time in February 2025. Sweden did not receive any RRF grants over 2020-2024. The payment reflected for Hungary corresponds to the REPowerEU grants pre-financing received in January 2024.

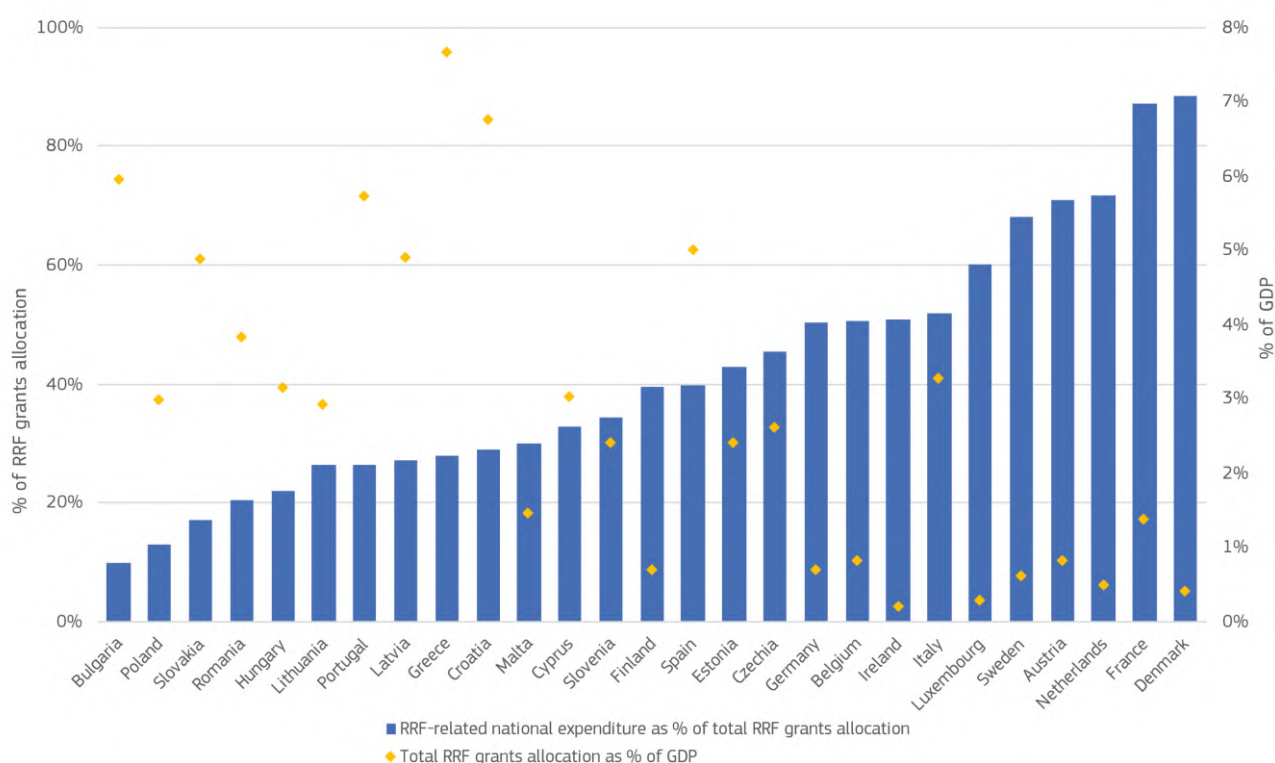
Source: European Commission

Absorption of RRF funds varies significantly across Member States and appears to be related to the size of their plans. As Figure 6 illustrates, expenditure recorded for the implementation of RRF grant measures accounted for a relatively moderate share of the total RRF grant allocation in several Member States in 2024 (notably in Bulgaria, Poland and Slovakia). As the figure also indicates, low absorption rates are in some Member States related to the large size of these Member States' grant allocation relative to the size of their economy, which leads to administrative challenges. Another explanatory factor is the nature and sequence of the measures included in the RRFs. For example, absorption rates would usually be lower for Member States with a relatively bigger share of frontloaded reforms in their plan. Finally, the impact of inflation or supply chain disruptions across the EU hindered the implementation of some projects on the ground to varying degrees across Member States. This affected the pace of expenditure due to factors such as unawarded tendering, budgetary constraints and project redesigns.

³¹ Hungary received REPowerEU grants pre-financing in January 2024.

³² Sweden did not receive any RRF grants over 2020-2024. The first payment to Sweden took place in July 2025.

Figure 6: RRF-related national expenditure as % of total RRF grants allocation, and total RRF grants allocation as % of GDP (2020 to 2024)



Note: Based on data reported to Eurostat by the national statistical institutes, published for the first time in February 2025.

Source: European Commission

B. Economic impacts of the RRF – new insights at sectoral level³³

RRF measures and investments support key economic sectors

The RRF provides support across a wide range of policy domains and economic sectors, reflecting its ambition to deliver deep and lasting structural change. This is demonstrated by a new sectoral database³⁴ created by the Commission that classifies all RRF reform and investment measures into 241 categories of economic activities, based on Eurostat's standard NACE classification³⁵. The classification was performed using internal artificial intelligence tools and validated through three rounds of manual robustness checks to ensure accuracy and consistency across measures. Reform measures were assigned to the economic sector they target, while investment measures were attributed to the economic sector where they generate demand. This sector-based approach provides an additional analytical perspective on the economic sectors affected by the RRF and is fully complementary to other categorisations, such as the use of intervention fields for climate and digital tagging that serve to identify a measure's contribution towards climate and digital goals. It offers a novel way to

³³ The analysis is based on Michels et al (2025), *Economic impacts of the Recovery and Resilience Facility: new insights at sectoral level and the case of Germany*, available at: [Economic Impacts of the Recovery and Resilience Facility: New Insights at Sectoral Level and the Case of Germany](#).

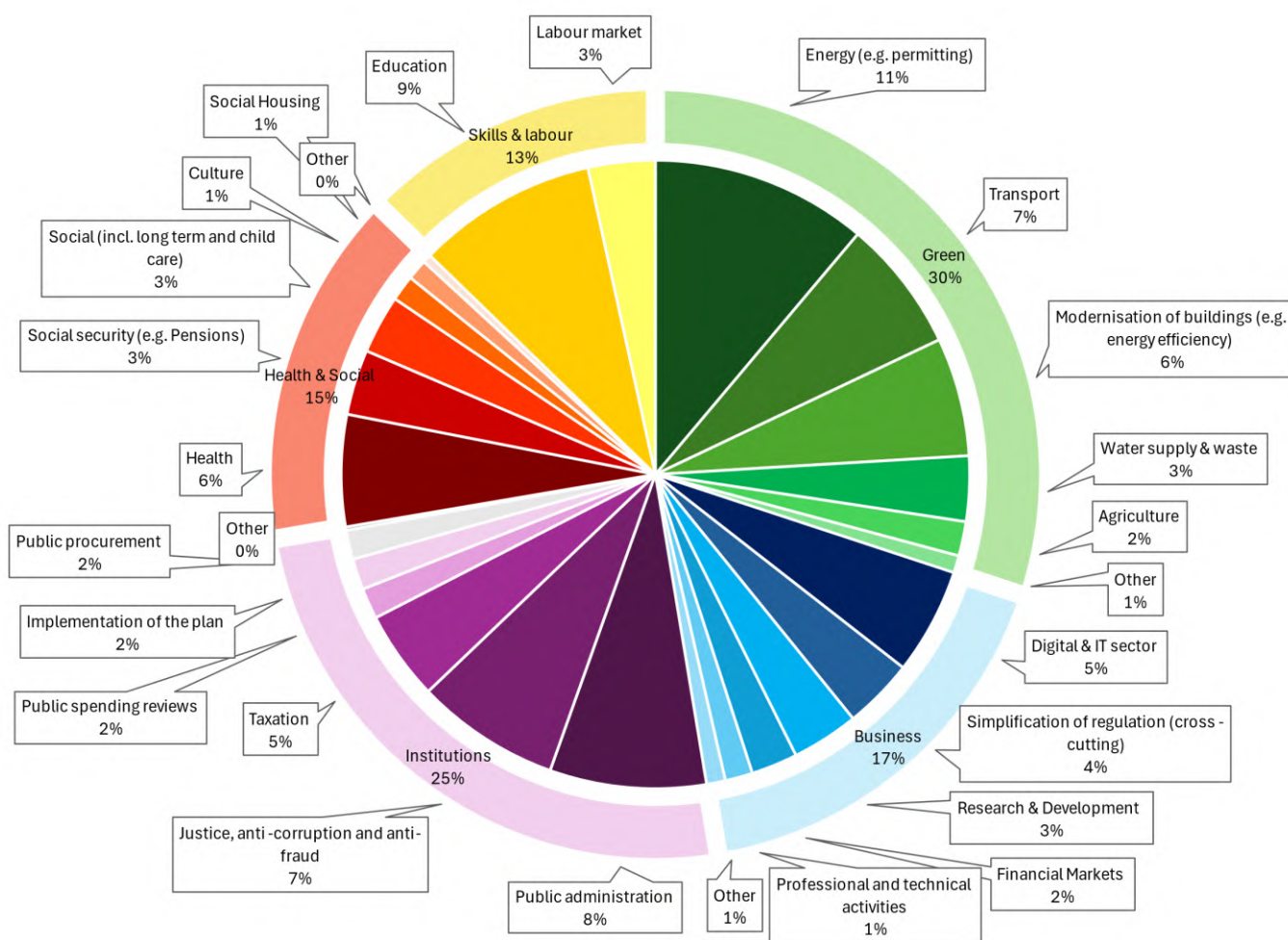
³⁴ This database is available at [Call for papers on the economic impact of the RRF - European Commission](#). The figures presented here reflect the situation as of January 2025 and assume full implementation of all national plans. The database was last updated in June 2025 and can be further revised in light of updates to national recovery and resilience plans.

³⁵ [NACE Rev. 2 - Statistical classification of economic activities - Products Manuals and Guidelines - Eurostat](#)

visualise the scope of the RRF's activities across economic sectors and to assess their macroeconomic and sectoral impact within each Member State, while also improving transparency in the use of RRF funds.

A unique strength of the RRF is that it supports both reforms and investments. Its reforms are driving the green and digital transition, enhancing competitiveness and strengthening societal resilience. An analysis of the database indicates that of the 1 131 reform measures supported by the RRF, about one third directly advance the green transition, with energy market reforms alone accounting for 11%. A further 25% strengthen public institutions – modernising administrations, improving tax systems, and reinforcing judicial and anti-corruption frameworks – an essential foundation for long-term growth. Around 17% focus on improving the business environment, through simpler regulation, support for research and development (R&D), and more efficient financial markets. An additional 15% aim to enhance health and social care services, and 13% strive to improve skills and labour market outcomes (see Figure 7).

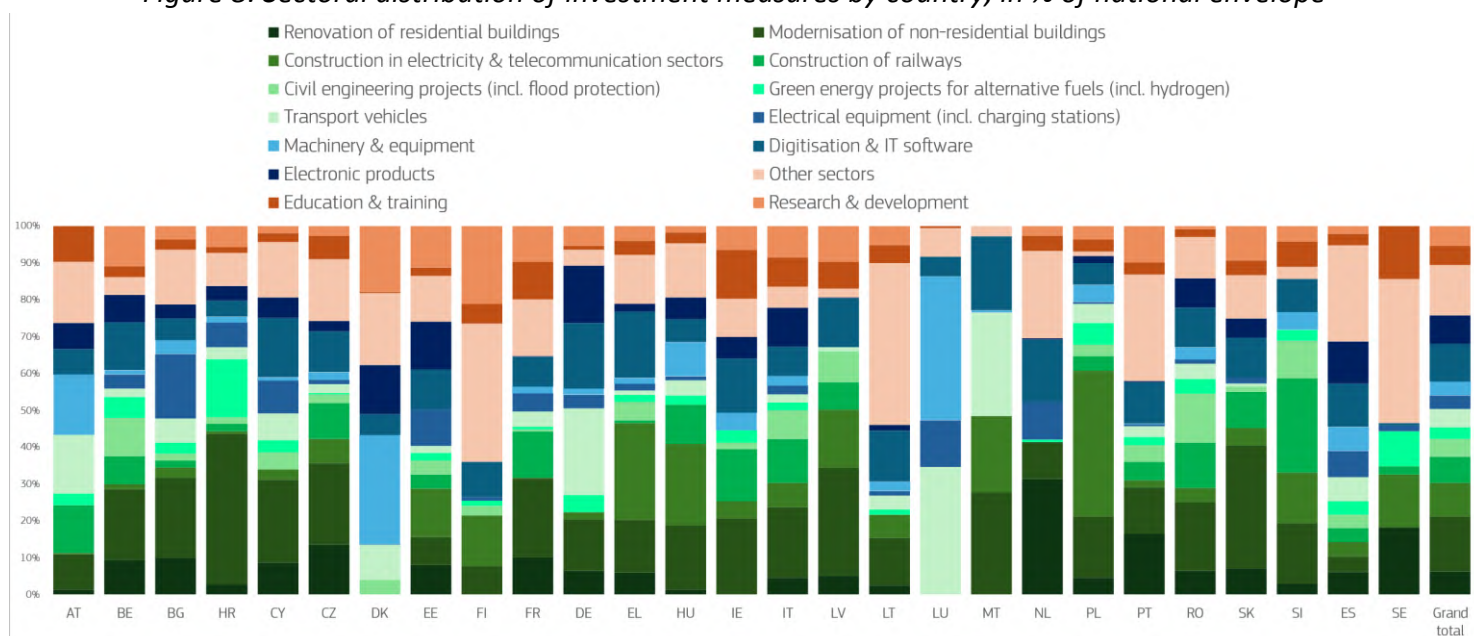
Figure 7: Overall distribution of reforms by key policy domains, in % of total number of reforms (total=1 131)



Source: European Commission

Reforms and investments under the RRF share a common sectoral focus, confirming that Member States have actively matched reforms with accompanying investments. A large share of RRF-funded investments is concentrated in sectors central to the green transition, such as the energy-efficient modernisation of buildings, construction of renewable energy infrastructure, electricity grids, railway infrastructure, and investments in sustainable transport vehicles and electrical equipment (e.g. batteries and charging points). Sectors supporting the digital transformation, notably for the public administration, feature prominently, including investments in IT software services, telecommunication infrastructure, electronic products and electrical equipment. Investments in education and training, and R&D are widely supported across national plans, reflecting their role in boosting long-term resilience and competitiveness. While all Member States share the common green and digital objectives, the sectoral focus of RRF investments varies, reflecting national priorities and economic contexts (see Figure 8).

Figure 8: Sectoral distribution of investment measures by country, in % of national envelope



Source: European Commission

The indirect spillover impacts of the RRF are significant

Assuming full implementation, RRF-funded investments alone are estimated to raise GDP by EUR 891.7 billion over the period 2020–2030³⁶. The actual impact will, however, depend on the degree to which the grants and loans allocated to Member States will eventually be disbursed. Of the estimated increase in GDP of EUR 891.7 billion between 2020 and 2030, EUR 546.2 billion stem from direct effects, generated in each country through the implementation of its own recovery and resilience plan, which boosts production and employment in domestic industries. A further EUR 345.5 billion arises from spillover effects, as countries benefit from higher

³⁶ The macroeconomic analysis of the impact of RRF-funded investments is based on the European Commission's well-established FIDELIO model. This general equilibrium model allows to disentangle the direct and spillover impacts of the RRF, analysed as a demand-driven shock and considering value chain linkages across 64 sectors and bilateral trade between 46 countries.

exports of final and intermediate goods thanks to the implementation of other countries' national recovery and resilience plans. Given the scale of their national envelopes, Italy and Spain are projected to see the largest absolute gains, with estimated GDP effects of EUR 189.6 billion (8.9% of current GDP) and EUR 142.7 billion (9.5%), respectively. These gains are primarily driven by the direct impact of their national plans, which stimulate domestic employment and production and support local supply chains. Poland, Greece, Romania, and Portugal are also among the countries expected to see the highest GDP gains. This figure excludes the additional long-term benefits expected from reforms which, as shown in a recent study by the European Central Bank³⁷ could deliver a long-term impact at least as large as that of investments and potentially even greater.

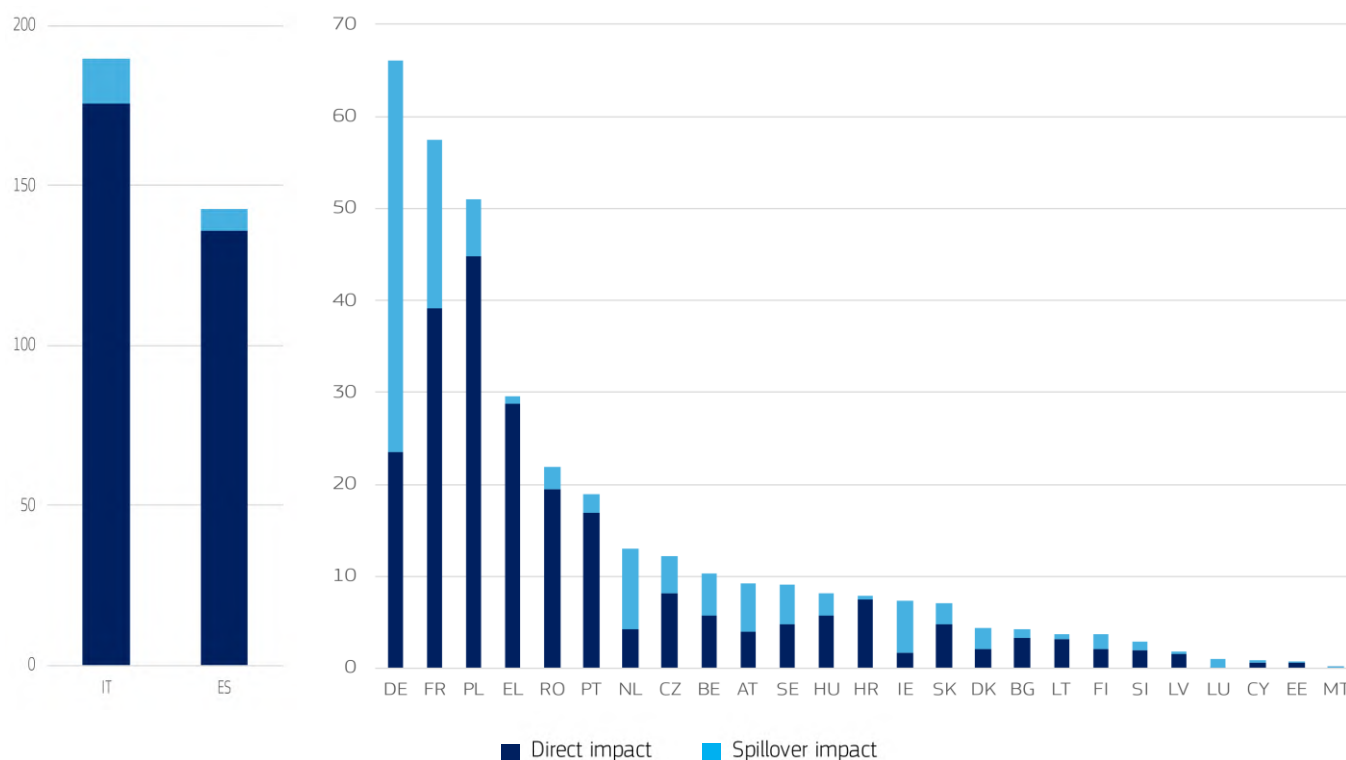
Thanks to the deep economic integration of EU economies, the benefits from each RRP extend well beyond national borders. The increase in demand triggered by the RRF in one country leads to higher demand for imported final and intermediate goods from other countries, benefiting many European companies. For example, a measure to incentivise the purchase of electric vehicles (EVs) in the Austrian plan not only benefits local consumers, but also stimulates the demand for cars produced in Germany, France and Italy, as well as for car components made across the EU (see box below).

Spillover effects account for around 40% of the RRF's total economic impact and, in some Member States, they more than double the benefits of their own national plans. Germany, for example, emerges as the largest beneficiary of spillover effects in the EU and the third-largest beneficiary of the RRF thanks to these spillovers. The total estimated impact on Germany's economy amounts to EUR 66.1 billion, twice the size of its RRF envelope, of which EUR 42.6 billion stem from spillovers. In the Netherlands, Ireland, Luxembourg, Austria and Denmark spillovers more than double- or even triple-the impact of national plans. Belgium, Finland and Sweden also benefit significantly, with spillovers nearly doubling their domestic impact. For France, spillovers are also substantial and account for about one third of the total RRF impact (see Figure 9).

Economic integration in the Single Market acts as a powerful amplifier of economic impacts. Member States that are highly integrated in EU value chains tend to experience the largest spillovers relative to the size of their economy. Slovakia, Slovenia and Czechia are among the EU countries with the highest spillover-to-GDP ratios at 1.8%, 1.4%, and 1.3%, respectively. They are followed by Hungary and Austria, where spillovers amount to 1.2% and 1.1% of national GDP.

³⁷ See Bańkowski, K., Benalal, N., Bouabdallah, O., De Stefani, R., Dorrucchi, E., Huber, C., Jacquinet, P., Modery, W., Nerlich, C., Rodríguez-Vives, M., Szörfi, B., Zorell, N., Zwick, C. (2024), *Four years into NextGenerationEU: what impact on the euro area economy?*, ECB Occasional Paper Series, no. 362.

Figure 9: Direct and spillover impacts on value added relative to national envelope, by country (in EUR billion)



Source: European Commission

Sectoral impact of the RRF: Germany, the Netherlands, France and Sweden

Germany, the Netherlands, France and Sweden benefit significantly from spillover effects from other Member States' plans, reflecting their deep integration in the EU's Single Market. Around half of these cross-border gains originate from the Spanish and Italian plans, due to the large size of their investment envelopes.

In Germany³⁸, four manufacturing sectors are the primary beneficiaries of spillovers from other countries plans: machinery and equipment; motor vehicles; computer, electronic and optical products; and electrical equipment. Major companies such as Volkswagen, Mercedes-Benz, and Opel have gained from e-mobility projects in Spain as well as EV subsidies in France, Austria and Slovakia. Siemens has benefited from investments in Spain, Denmark, Portugal, France, Austria and Bulgaria and BASF from investments in Spain, France and Slovakia, while Infineon benefited from a semiconductor project in Austria. **Domestically, the construction and IT sectors benefit the most from Germany's own plan** with companies like Deutsche Telekom and SAP involved in projects supporting the digital transformation.

In the Netherlands³⁹, spillovers mostly benefit wholesale trade, manufacturing of electronics, machinery and equipment as well as legal and accounting

³⁸ See *Economic impact of the Recovery and Resilience Facility: The Case of Germany*, European Commission, July 2025, available at: [ae7f84c5-c902-45f3-9f04-39596571f35c_en](#).

³⁹ See *Economic impact of the Recovery and Resilience Facility: The Case of Netherlands*, European Commission, July 2025, available at: [1aea2ede-464b-4a27-9749-3293f16a4483_en](#).

services. NXP has contributed to microelectronic initiatives in Germany, Austria and Romania, while Philipps has supplied advanced medical equipment for projects in France, Portugal, Cyprus and Malta, and participated in robotics and AI developments in Italy. VDL Groep has benefited from green mobility projects in Belgium and Italy, and Allego has installed charging stations in Belgium. Consulting firms such as Arcadis and Wolters Kluwer have supported RRF projects in Belgium and Czechia. **The construction sector and nature reserve activities benefit the most from direct effects of the Netherland's own plan**, with companies like Klimaatgarant, for example, working on energy-efficiency improvements of dwellings.

The construction, education, and R&D sectors, as well as employment support services – particularly those targeting young people – are the main beneficiaries of the direct impact of the French RRP⁴⁰. Companies like Japet Médical, Ariane Group and Geneva have received support for R&D initiatives, and Léon Grosse from energy-efficient renovation projects. **France benefits also strongly from spillovers, in particular in the manufacturing sector and certain service sectors, such as wholesale trade and legal, accounting, and consultancy activities.** Airbus has participated in clean aviation projects in Spain and delivered helicopters to Greece. Renault has supplied fire trucks to Spain and benefited from EV subsidies in Germany, Austria and Slovakia. Saint-Gobain has benefited from a decarbonisation project in Spain.

In Sweden⁴¹, the construction, education, and social sectors have benefited the most from Sweden's own plan with examples including Trenum, Rikshem and Almen 21 for housing projects. **Spillover effects primarily benefit the IT, wholesale trade, R&D, and manufacturing sectors, including machinery and equipment as well as the automotive sector.** Ericsson has benefited from a microelectronics project in Germany and digitalisation projects in France, Croatia and Portugal. Volvo has received support for the development of electro mobility in Germany, has supplied fire trucks to Spain and benefited from EV subsidies in Germany and France. Saab has delivered equipment for a vessel traffic station in Cyprus.

C. Progress in the implementation of country-specific recommendations

The RRF supports the adoption of key reforms in Member States

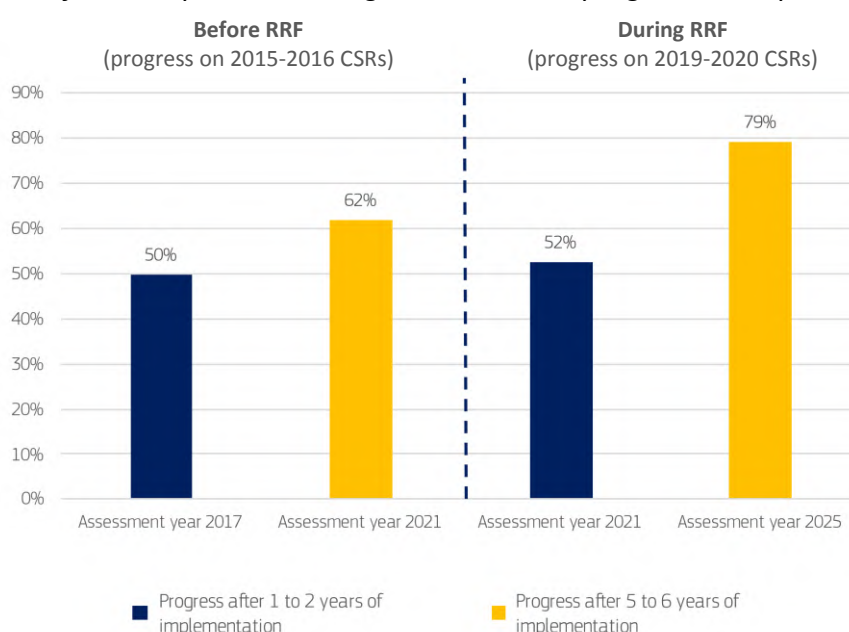
The RRF has incentivised the implementation of country-specific recommendations since 2021. As required by the RRF Regulation, the recovery and resilience plans must contribute to effectively addressing all or a significant subset of

⁴⁰ See *L'Impact économique de la facilité pour la reprise et résilience : le cas de la France*, European Commission, June 2025, available at: [8b16b77c-3a92-40eb-b540-eaef8bf16e13_en](#).

⁴¹ See *Economic impact of the Recovery and Resilience Facility: the case of Sweden*. European Commission, July 2025, available at: [53107f05-140f-42bc-9308-421387e4f2d2_en](#).

the challenges identified in the relevant CSRs or other relevant documents in the context of the European Semester. The CSR assessment published as part of the 2025 European Semester Spring package demonstrates a steady increase in the implementation of the CSRs adopted in 2019, which were of a structural nature, and in 2020, which were more crisis-oriented. Progress on implementing CSRs has been faster under the RRF compared to the time before the Facility (see Figure 10). By June 2025, the share of CSRs adopted in 2019-2020 and recording at least some progress reached 79%. By comparison, in the pre-RRF period, only 62% of the 2015-2016 CSRs had recorded at least some progress in 2021 (i.e. after the same amount of time for implementation). This shows that the incentives provided by the RRF, with its performance-based approach and emphasis on reforms, contributed to reinforcing the implementation of CSRs.

Figure 10: Share of CSR subparts recording at least “some progress” in implementation

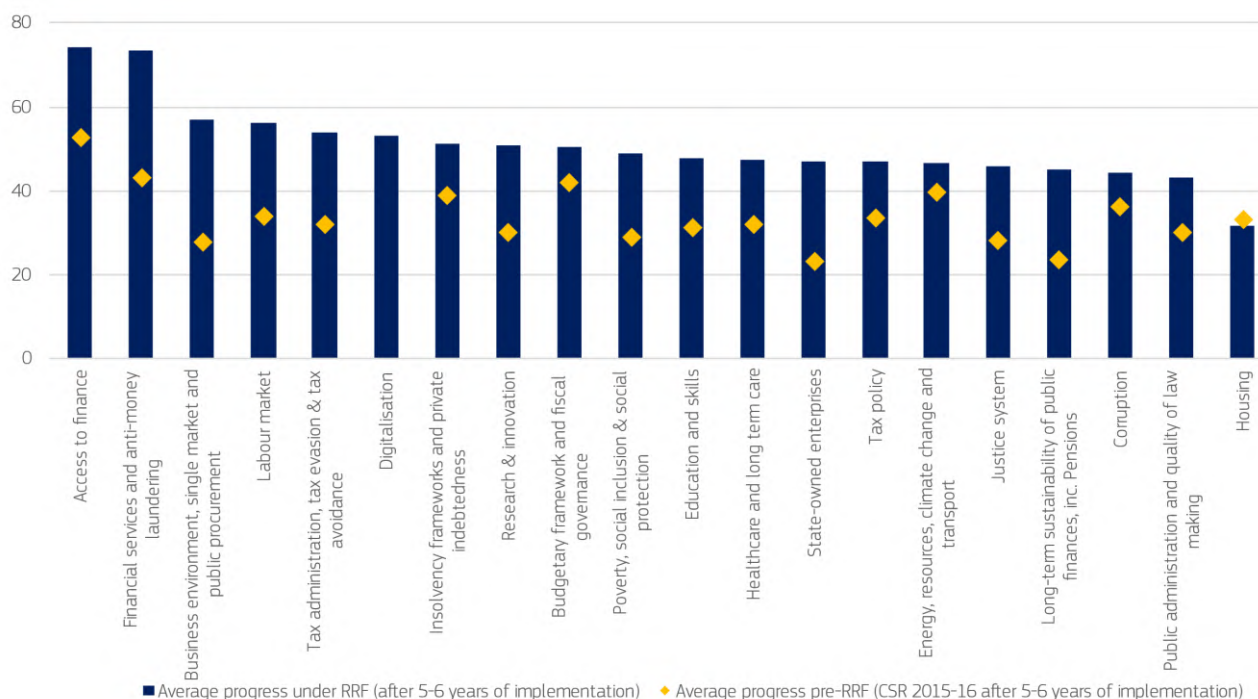


Source: European Commission

Member States have made progress in particular on CSRs related to growth-enhancing structural reforms, with the RRF leading to an increase in CSR implementation across almost all policy areas. Looking at the 2019-2020 CSRs, Member States have made the most progress on CSRs related to access to finance, the business environment and the labour market, which are key growth-enhancing reforms that stimulate investment, job creation and productivity. The average 2019-2020 CSRs implementation rate during the RRF lifetime increased compared to the 2015-2016 CSRs implementation rate before the RRF in all policy domains except housing. In particular, the rate increased in the following policy domains (see Figure 11): financial services and anti-money laundering (+30 percentage points); business environment, single market and public procurement (+29 percentage points); the labour market (+22 percentage points) and tax administration, tax evasion and tax avoidance (+22 percentage points). CSRs related to green and digital policies, which are key pillars of the RRP, have also recorded a good level of progress. 94% of 2019-

2020 CSRs related to digital⁴² policies and 77% of 2019-2020 CSRs related to green policies⁴³ have recorded at least some progress. Progress has been slower in other areas, in particular on CSRs related to housing, public administration and quality of law making and corruption.

Figure 11: Implementation of CSRs under the RRF and before the RRF, by policy domain



Note: The chart shows the average assessment score for the recommendations in a given policy domain on a scale from 0: No progress to 100: Full implementation. For the RRF period, the chart shows the level of implementation of 2019 and 2020 CSRs as assessed in 2025. For the pre-RRF period, the chart shows the level of implementation of 2015 and 2016 CSRs as assessed in 2021 (i.e. after the same length of time of implementation). Only policy domains with a minimum of 5 recommendations are shown. For the policy area "Digitalisation", there were no related CSRs in 2015 and 2016.

Source: European Commission

Examples of relevant reforms in the RRP leading to structural improvements in Member States' economies and societies.

- **France** has introduced reforms to reorganise **its support for jobseekers**. The changes improve trainings and provide more support especially for vulnerable groups. At the same time, the reform of the unemployment insurance is increasing the incentives to return to stable employment and to limit the overuse of short-term contracts by introducing a bonus malus system for employers to discourage the excessive use of short-term contracts.
- Legislation has entered into force in **Italy** to encourage **tax compliance** and improve the effectiveness of audits and controls. One reform improved the quality of the databases used to produce compliance letters (i.e. notices through which the Italian tax authorities report discrepancies). As a result, the tax

⁴² "Digital" policy areas refer to recommendations in the areas of digital connectivity, infrastructure & market functioning, digitalisation of businesses and digitalisation of public administration and public services.

⁴³ "Green" policy areas refer to recommendations in the areas of renewable energy, energy infrastructure & networks, energy efficiency, environmental policy & resource management, transport and climate adaptation.

revenue generated by compliance letters has increased by 30% compared to 2019.

- **Croatia** has introduced several legislative reforms and procedural changes to shorten and reduce the **backlog of court proceedings**, thereby enhancing administrative efficiency in the justice system. Several legislative amendments have been adopted to enhance the efficiency in proceedings related to bankruptcy, consumer insolvency, administrative disputes, and voluntary mediation. The number of pending court proceedings is expected to decrease by at least 35% by the end of the RRF.
- **Slovakia** has introduced reforms to improve **fiscal sustainability** in the medium and long term. These include improving the long-term fiscal sustainability of the pension system through changes to the first pay-as-you-go pension pillar and improving the functioning of the second pension pillar, as well as enhancing fiscal discipline through binding multiannual expenditure ceilings.
- **Spain** adopted a **reform on streamlining and simplifying permitting procedures for renewable energy and electricity infrastructure**. The legislation reduces administrative burden, sets clear deadlines, removes restrictions on self-consumption and improves network capacity allocation.
- **Estonia** has introduced reforms with the objective **to ensure access to medical care**, by establishing a reimbursement system for nurses to incentivise them to work in remote areas, as well as by increasing the share of people admitted in nursing training.
- **Ireland** has implemented a reform that enables policymakers **to better assess and limit regulatory burdens on SMEs**, promoting a more supportive environment for their growth.

D. Common indicators

RRF investments and reforms produce concrete results on the ground

The common indicators show progress in the implementation of the RRFs towards the achievement of the general and specific objectives and the overall performance of the RRF. Member States report data on the common indicators twice per year, covering 14 indicators⁴⁴. These indicators demonstrate tangible outputs

⁴⁴ Art. 29 of the [RRF Regulation](#) requires Member States to report to the Commission on the common indicators and empowers the Commission to specify the common indicators to be used for this reporting. The Commission Delegated Regulation 2021/2106 defines the 14 indicators in question. There are two types of indicators. Output indicators measure the specific deliverables of an RRF-supported activity or project (e.g. additional operational capacity installed for renewables). Result indicators capture a change in the situation and its effects to the beneficiaries (e.g. people benefiting from new public digital services, or trainings). Out of the 14 common indicators, 4 are disaggregated by gender. Member States report bi-annually on these common indicators by 28 February (covering the reporting period of July and December of the previous year) and by 31 August (covering the reporting period of January to June of the same year). The Commission publishes the common indicators data on the [Recovery and Resilience Scoreboard](#), after performing data checks to ensure plausibility and comparability of the data. In line with the requirements of the Commission Delegated Regulation, where data are published at the level of each Member State, these are presented in relative terms. However, The Commission has no legal basis to audit or verify the quality of the data submitted by Member States nor to alter or refuse specific reporting by Member States. The Commission's checks are limited to overall plausibility and comparability of the data. Moreover, as analysed in detail in the mid-term evaluation, methodological caveats apply

resulting from RRF measures’ implementation on the ground, and, along with the bi-annual reporting on the status of milestones and targets, they contribute to tracking the overall progress of the Facility. So far, seven reporting rounds have been completed and published on the Recovery and Resilience Scoreboard⁴⁵, covering the period from February 2020 to December 2024. Figure 12 depicts the current status of the common indicators, showcasing concrete outputs and results stemming from the implementation of RRF measures.

Figure 12: State of play on the common indicators based on the latest reporting round by 31 December 2024



Source: Recovery and Resilience Scoreboard

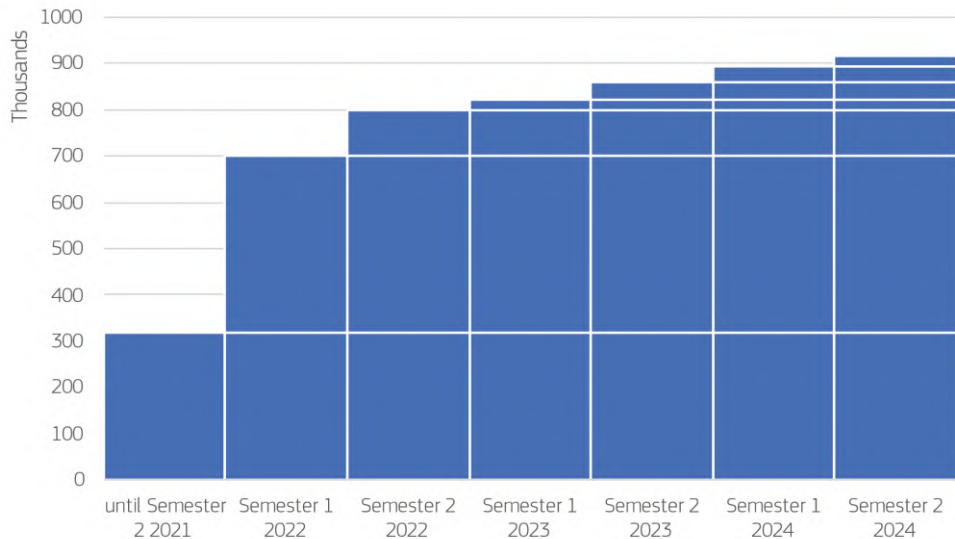
As of December 2024, the number of new or upgraded refuelling and recharging points for clean vehicles installed reached 915 995 (common indicator 3, see Figure 13). This figure is driven by investments and reforms supporting charging stations for electric vehicles in the German, Italian, Finnish and Belgian plans, among others. The RRF’s impact on the green transition can also be demonstrated by the 33.4 million MWh in savings of annual energy consumption (common indicator 1)

to the common indicators. While their purpose is to report on the overall performance and progress of the RRF towards its objectives, they do not comprehensively cover all investments included in the RRFs and do not fully capture the contribution of reforms, which is difficult to measure using quantitative indicators. The collection methodology of the common indicators’ underlying data makes it at times impossible to disentangle their specific origin and contribution to RRF objectives, particularly as there is no comparison point (counterfactual in the absence of the RRF). Furthermore, the common indicators do not include final target values, which limits their use in the context of an evaluation and in determining RRF effectiveness. This point has been echoed by feedback received from Member States.

⁴⁵ See https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/common_indicators.html.

equivalent to the annual consumption of 20.9 million Europeans⁴⁶ and 110 655 MW of additional renewable energy capacity installed (common indicator 2) equivalent to the entire installed electrical capacity of Italy⁴⁷.

Figure 13: Evolution of alternative fuels infrastructure (refuelling/recharging points), in number of refuelling/recharging points



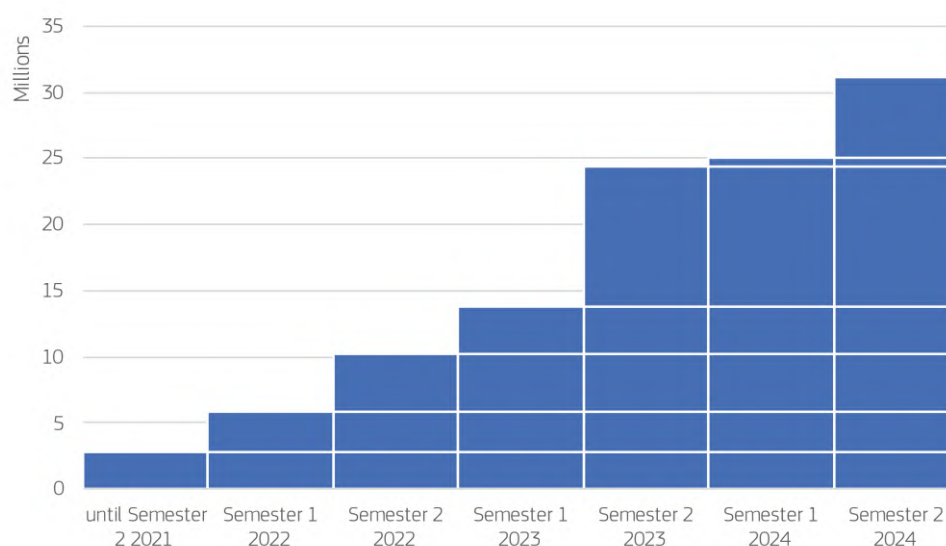
Source: Recovery and Resilience Scoreboard

The number of citizens benefiting from protection measures against floods, wildfires and other climate-related natural disasters reached 31 million by the end of 2024 (common indicator 4). From July to December 2024 (seventh reporting round), RRF measures contributed to increasing the number of people better protected against climate-related disasters by an additional 6 million (see Figure 14). Examples of measures contributing to this common indicator can be found in the Greek and Polish RRP. In Greece, the “National Reforestation Plan, restoration and prevention (“antiNERO”), antierosion and flood protection measures” and the “Hellenic Electricity Distribution Network Operator (HEDNO) overhead network upgrading in forest areas” measures benefited more than 1 million people, while measures targeting the green transition of cities and the improvement of sustainable water management in rural areas in the Polish RRP benefited more than 3 million people.

Figure 14: Evolution of population benefiting from protection measures against floods, wildfires, and other climate related natural disasters, in number of people.

⁴⁶ Electricity consumption per capita in the household sector in the EU in 2022 was 1.6 MWh per capita (1 584 kWh) according to Eurostat.

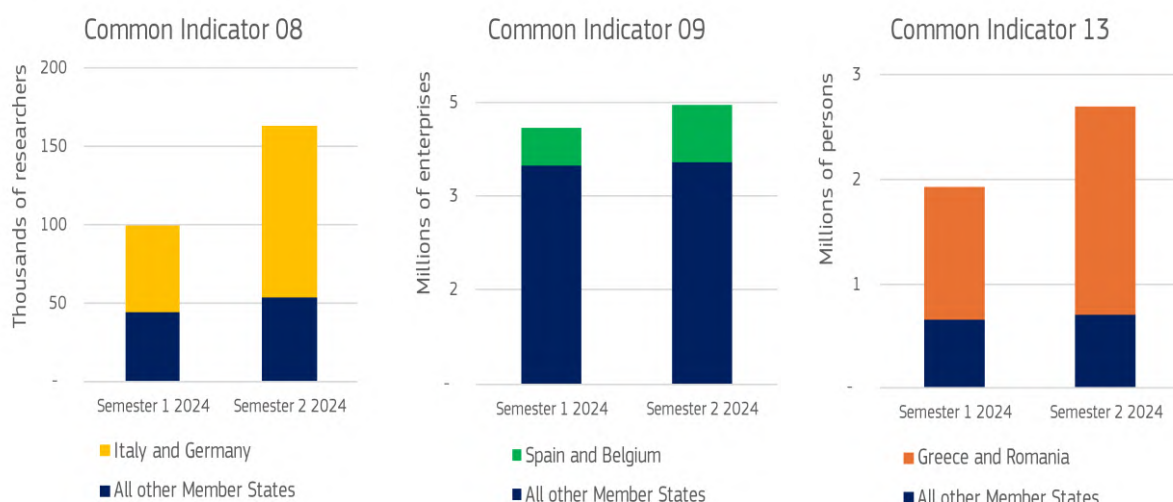
⁴⁷ Total electrical production capacity in Italy in 2023 was 104 098 MW according to Eurostat.



Source: Recovery and Resilience Scoreboard

Overall, the common indicators show growing concrete support to enterprises, innovation, digitalisation and education. The number of enterprises supported by the Facility continues to grow and reached 4.5 million by end-2024 (common indicator 9). Spain and Belgium drove the increase between July and December 2024 with more than a total 300 000 enterprises supported, for the most part micro and small-sized. Common indicator 8 “Researchers working in supported research facilities” reached more than 160 000 units, showing the strong support provided by the RRF towards research and innovation. The Italian and German reporting on this common indicator in the seventh reporting round (July-December 2024) show that more than 50 000 researchers benefited from the Facility’s support in that time period. Classroom capacity of new or modernised childcare or education facilities (common indicator 13) increased to more than 2.6 million by end-2024, with an increase of more than 770 000 in the last six months of reporting (July-December 2024). The biggest growth was recorded in Greece (measure “Digital transformation of education”), and in Romania (measures “Ensuring digital technology equipment and resources for schools”, “Provision of facilities for pre-university classrooms and school science laboratories/school cabinets”, “Equipping of IT laboratories in vocational education and training (VET) schools”, “Equipping of practice workshops in VET schools”) (see Figure 15).

Figure 15: Overview of selected common indicators – overall increases across two reporting rounds in 2025



Note: The figure above shows the reported changes in the total figures up to the first semester of 2024 and up to the end of 2024. The common indicators shown are common indicator 08 (Researchers working in supported research facilities), common indicator 09 (Enterprises supported (of which: small – including micro, medium, large), and common indicator 13 (Classroom capacity of new or modernised childcare and education facilities).

Source: Recovery and Resilience Scoreboard

E. Bi-annual reporting data

The implementation of milestones and targets continues to progress steadily

Most milestones and targets indicatively due by Q1 2025 have either been assessed as fulfilled by the Commission or reported as completed by Member States⁴⁸. As of 30 April 2025, out of the 4 358 milestones and targets that were due by Q1 2025, 49.5% (2 157) had been assessed as satisfactorily fulfilled by the Commission in the context of a payment request, while an additional 33.7% (1 471) had been reported as completed by Member States (see Figure 16). Overall, this accounts for 83% of the milestones and targets planned by that date. The remaining 730 (17%) milestones and targets were reported as not completed by their indicative target date (see Figure 16).

Member States expect most milestones and targets due by Q1 2026 to be implemented on time. As of 30 April 2025, 1 170 milestones and targets (78%) with a due date between Q2 2025 and Q1 2026 were reported as on track and 93 (6%) as already completed (see Figure 17). 15% of milestones and targets due by Q1 2026 were reported as delayed (see Figure 17).

⁴⁸ According to the figures of the spring 2025 bi-annual reporting round. In line with Article 27 of the [RRF Regulation](#), Member States must report twice a year in the context of the European Semester on the progress made in the implementation of their RRP. The Commission Delegated Regulation (EU) 2021/2106 further specifies this obligation, setting the deadlines for the bi-annual reporting at no later than by 30 April and 15 October. Member States report their progress in achieving their milestones and targets due in the past and due twelve months into the future. Whilst the data is self-reported by the Member States and not verified by the Commission, it provides a comprehensive stocktaking on the implementation of all plans and enables the monitoring of progress in implementing the RRP. Milestones and targets which have already been assessed as satisfactorily fulfilled by the Commission in the context of a payment request are classified as 'fulfilled'. The progress status of each backward-looking milestone and target (i.e. those planned to be achieved up to the quarter before the reporting date) can be classified as either 'completed' or 'not completed'. The status of forward-looking milestones and targets (i.e. those planned to be achieved in the quarter of the reporting date and the three following quarters) milestones and targets can be classified as 'completed', 'on track', or 'delayed'.

Figure 16: Progress of milestones and targets due in the past, from Q1 2020 to Q1 2025

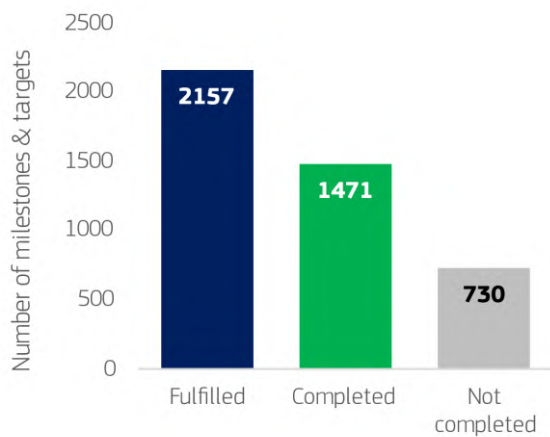
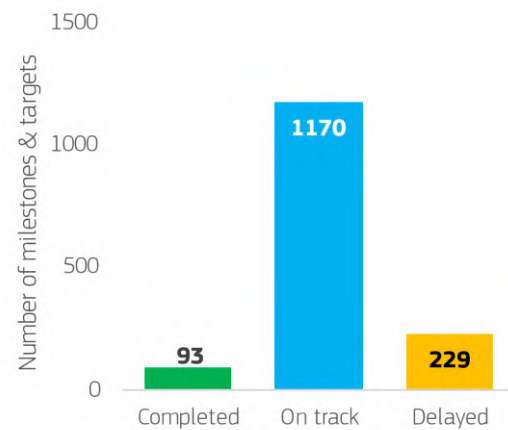


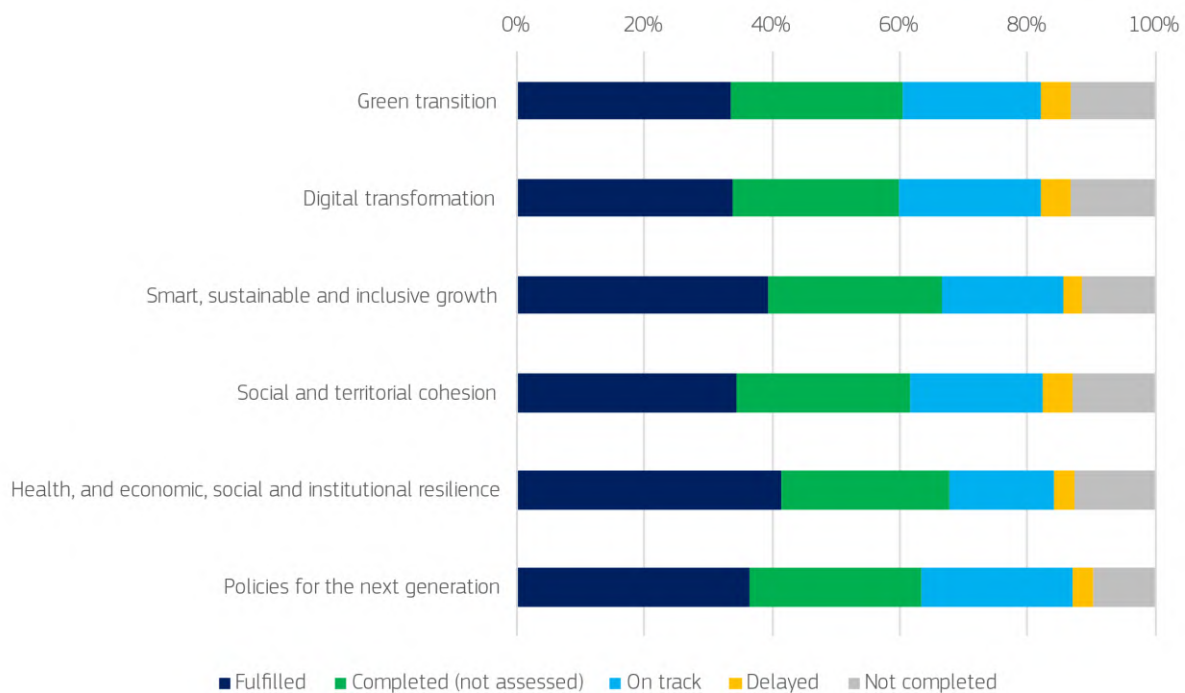
Figure 17: Progress of milestones and targets due in future, from Q2 2025 to Q1 2026



Source: European Commission

The completion rate of milestones and targets with an indicative completion date up to Q1 2026 is around or above 60% across all six policy pillars of the Facility (see Figure 18). The completion rate (i.e. milestones and targets fulfilled or reported as completed by Member States as a share of the total number of milestones and targets in that pillar) is highest for the pillars “smart, sustainable and inclusive growth” and “health, and economic, social and institutional resilience” (well above 65%). The “green transition” and “social and territorial cohesion” pillars, covering a comparable number of milestones and targets, follow with around 60% fulfilled or completed milestones and targets each. The pillars “digital transformation” and “policies for the next generation”, which cover a smaller number of milestones and targets, also have a completion rate of around 60%.

Figure 18: Milestones and targets contributing to the six RRF Regulation pillars and their



respective status up to Q1 2026

Source: European Commission

F. Progress across the six policy pillars

Member States have made visible implementation progress across all six RRF policy pillars

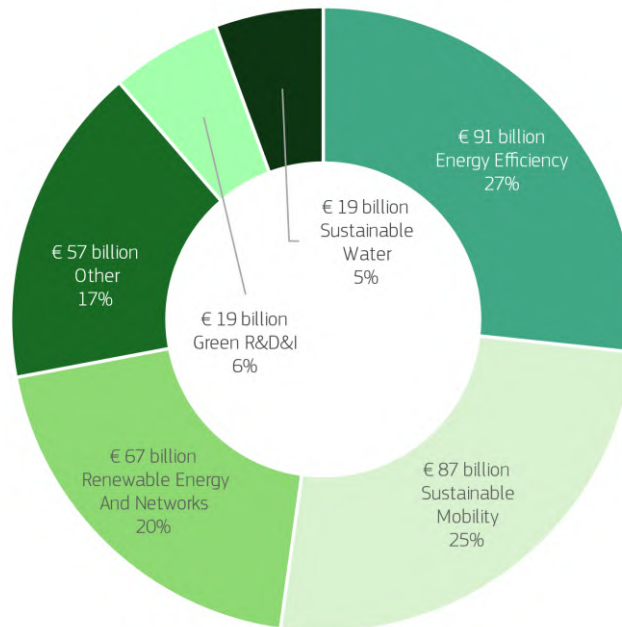
Green transition

The RRF is contributing to achieving the EU's targets to reduce net greenhouse gas emissions by at least 55% by 2030 and to reach climate neutrality by 2050. The measures under the RRF are supporting the EU's climate ambitions by increasing energy efficiency, promoting sustainable mobility and a higher deployment of renewable energy sources. They will also ensure progress towards climate adaptation and other environmental objectives such as reducing air pollution, promoting the circular economy or restoring and protecting biodiversity. Following the adoption of the REPowerEU chapters, a total of EUR 339.7 billion⁴⁹ – over 50% of Member States' total allocation – has been dedicated to measures contributing to the green transition pillar.

⁴⁹ This figure shows cost estimates based on the pillar tagging methodology for the [Recovery and Resilience Scoreboard](#) and corresponds to the measures allocated to the green transition pillar as primary and/or secondary policy pillar.

Overview: The RRF's support for the green transition

Figure 19: Contribution to the green transition, per policy area



Note: The figure shows the contribution of measures under the green transition pillar included under the RRF and presents associated *ex ante* estimated costs in EUR billion of measures linked to this pillar. Percentage values indicate the share of a specific policy area within the green transition pillar. "Other" includes circular economy, climate change adaptation, biodiversity and ecosystems, pollution prevention and control, green skills and jobs, and other climate change mitigation.

Source: European Commission

The RRF plays a central role in promoting climate action and environmental sustainability. It is aligned with the European Green Deal as Europe's strategy for sustainable growth and the goal of achieving climate neutrality by 2050, and intrinsically linked with the new competitiveness agenda of the Commission. The RRF supports a wide range of priorities crucial for the EU's green transition, with the three largest areas being:

1. Energy efficiency – EUR 91 billion⁵⁰

Buildings are the largest source of energy consumption in the EU with around 75% of the stock still having poor energy performance. Large-scale renovations and high-efficiency new constructions are needed to meet EU climate goals and reduce energy bills. To address this, Member States are investing in energy renovations and highly efficient buildings, including of the public building stock, while introducing reforms to remove regulatory barriers and spur energy efficiency renovations. Beyond buildings, the RRF also provides crucial support to energy efficiency in large enterprises and SMEs, thus contributing to the decarbonisation of our industries. To that end, Member States are, for instance, investing in the optimisation and electrification of processes, or the adoption of monitoring and consumption management systems.

⁵⁰ This refers to the *ex ante* estimated cost of all measures linked to this intervention field under the RRF.

2. Sustainable mobility – EUR 87 billion

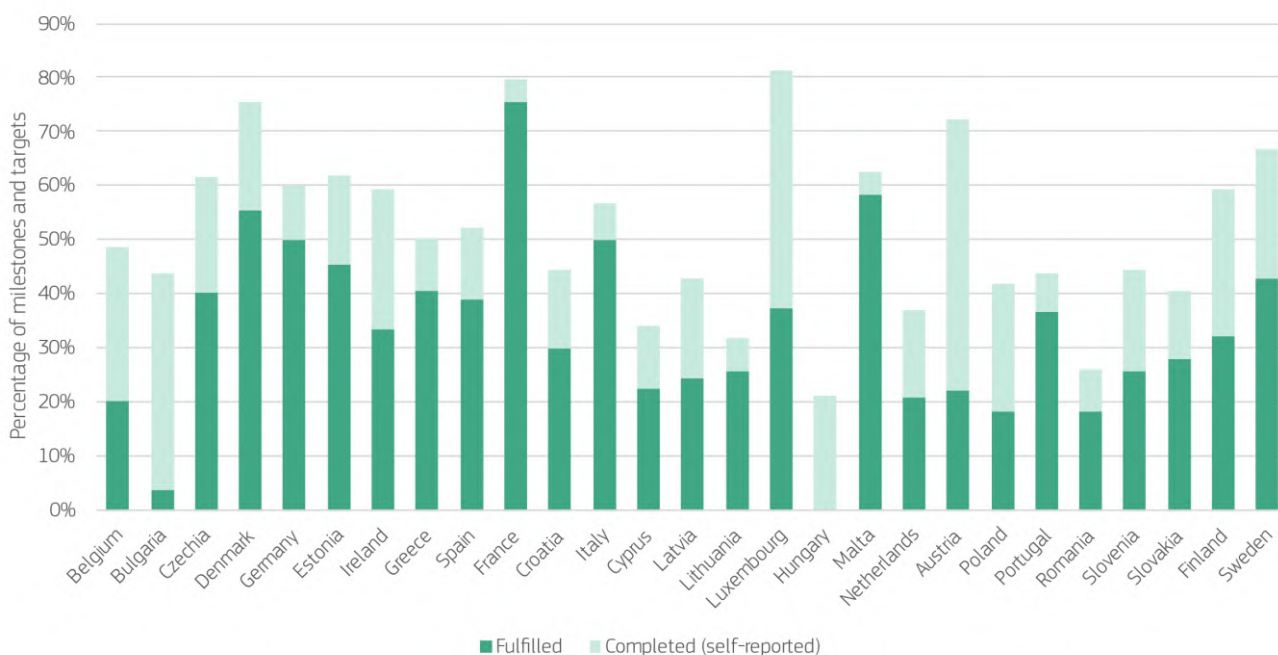
The transport sector produces a quarter of the EU's greenhouse gas emissions, making its decarbonisation vital for meeting climate goals and reducing reliance on imported fossil fuels. The RRF supports Member States through investing in zero or low emission vehicles, clean public transport, recharging and railway infrastructure, alongside reforms to taxation and regulation to support zero emission mobility.

3. Renewable energy and networks – EUR 67 billion

Meeting the EU's climate and energy ambitions requires continuous, large-scale investment to speed up the rollout of renewable energy and supporting infrastructure. Through the RRF, support is directed towards both established and innovative renewable technologies, alongside efforts to streamline regulations and permitting procedures, strengthen public-private cooperation, support electricity networks and interconnections, and uphold supportive schemes.

Progress in implementing measures related to the green transition has been good overall, with nearly 50% of green milestones and targets assessed as satisfactorily fulfilled or reported as completed by the Member States. Specifically, 1 505 out of the 3 119 milestones and targets related to the green transition are already assessed as fulfilled by the Commission or reported as completed by Member States (see Figure 20), which yields a progress rate of approximately 48% (including 32% assessed in payment requests).

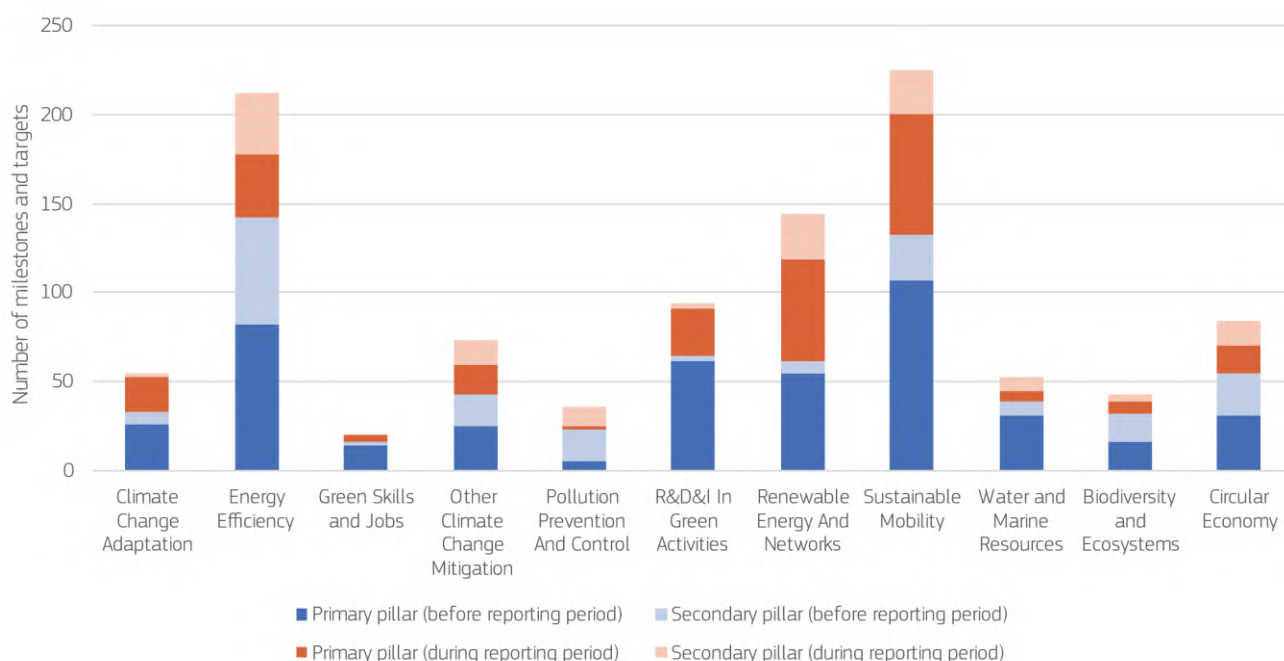
Figure 20: Percentage of all milestones and targets contributing to the green transition that have been assessed as fulfilled or reported as completed, per Member State



Source: European Commission

During the reporting period, the assessment of milestones and targets underpinning the green transition advanced markedly (see Figure 21). In the past year alone, 379 milestones and targets were assessed as fulfilled, in addition to the 612 milestones and targets that had previously been assessed as fulfilled. The newly fulfilled milestones and targets remain concentrated in sustainable mobility and energy efficiency. Progress accelerated in particular for renewable energy and networks with more milestones and targets assessed as fulfilled in the past year (83) than in the period prior to 1 September 2024 (61).

Figure 21: Number of milestones and targets assessed as fulfilled in the period 1 September 2024 until 31 August 2025, and in the pre-reporting period (contributing to the green transition)

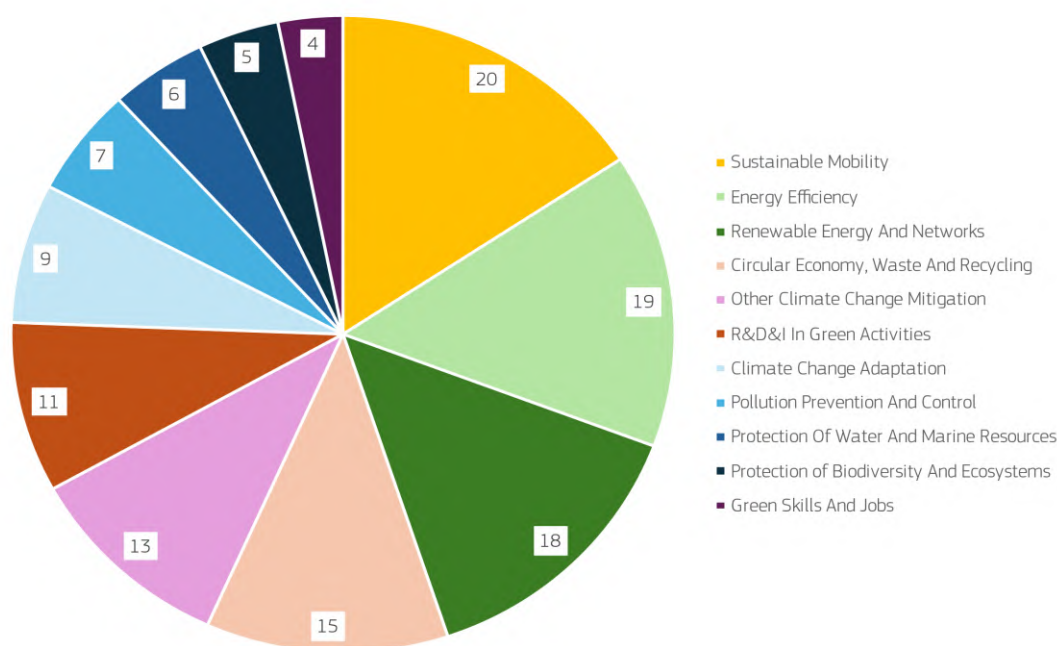


Note: In the reporting period, twenty milestones and targets contribute to both a primary *and* secondary policy area of the green transition pillar. For the pre-reporting period, this is true for 28 milestones and targets.

Source: European Commission

Member States are moving forward on sustainable mobility, renewable energy and grids, energy efficiency, and climate change adaptation, with broad progress and some countries leading the way. For sustainable mobility, Italy, Belgium and Spain recorded the largest number of fulfilled actions, with progress on sustainable mobility spreading across 20 plans in total. Scaling up renewable energy capacity and reinforcing networks was mainly driven by policy action in Portugal, Italy and Czechia. Improvements in energy efficiency were broadly distributed among 19 Member States, showing the widespread effort to reduce energy consumption through renovations and other energy efficiency schemes. In the field of adaptation to climate change, the strongest momentum came from Greece, Portugal and Spain, which also advanced on measures linked to the protection of water resources, biodiversity and ecosystems (see Figure 22). The examples provided in the box below highlight key measures with completed milestones and targets during the reporting period.

Figure 22: Fulfilled number of milestones and targets by Member States in the area of green transition from 1 September 2024 to 31 August 2025



Source: European Commission

Examples of relevant measures with fulfilled milestones and targets in the reporting period under the green transition pillar

Reforms:

- **Poland** amended existing regulation (Renewable Energy Sources Act and the Energy Act) to facilitate the establishment and operation of citizen energy communities, cooperatives and energy clusters. These reforms helped Poland achieve 23 GW of onshore wind and photovoltaic capacity, reflecting important progress in the deployment of renewable energy.
- **Romania** adopted a national circular economy strategy. It sets rules for the entire life cycle of products and the transformation of the Romanian economy towards a circular economy.
- **The Netherlands** adopted an energy taxation reform adjusting electricity and gas tariffs to incentivise businesses and households to limit their energy consumption, switch to more climate-friendly sources of energy and reduce CO₂ emissions.
- **Portugal** has introduced harmonised and mandatory criteria that better align producer fees with the environmental impact of their products and the actual waste management costs. This is promoting the circular economy and more efficient waste management by creating financial incentives for more durable, repairable, and recyclable product design.

Investments:

- **Cyprus** installed photovoltaic systems in 405 schools and on the largest state hospital, together with thermal insulation to facilitate the energy upgrading and increased energy efficiency of public buildings.
- **Greece** invested in the electricity network which will support the shift to renewable energy. The investment increases the capacity of key substations to accommodate more renewable energy, easing grid congestion and enabling further investment in clean energy. These initiatives contribute to a more sustainable and resilient energy system.
- **Spain** restored over 100 kilometres of coastline across the country to increase the resilience of the coast to the adverse effects of climate change and to protect and restore maritime eco-systems.

Digital transformation

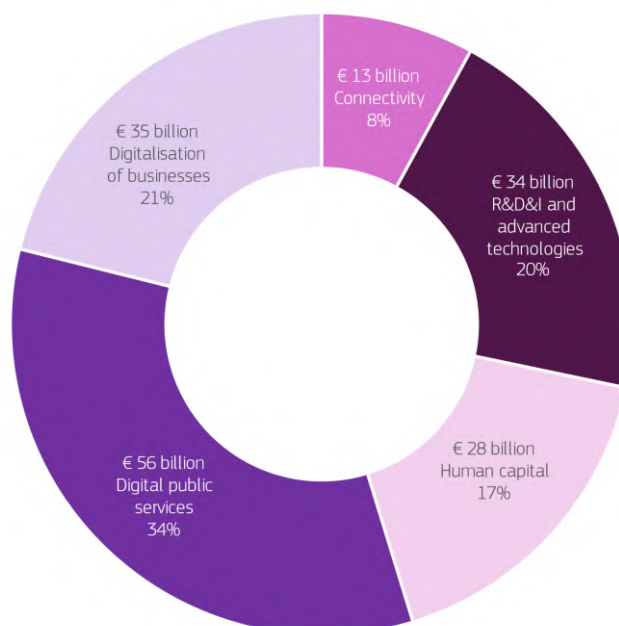
The RRF provides a significant contribution to the digital transformation in the EU. Recovery and resilience plans cover a range of measures, including the deployment of next generation digital infrastructures and advanced technologies, digital skills development for the population and the workforce, and support to the digitalisation of enterprises as well as of public services. A total of EUR 166.1 billion⁵¹ will contribute to the digital transformation pillar.

Member States have made significant progress in implementing measures related to the digital transformation, and around half of related milestones and targets are assessed as fulfilled or reported as completed. Specifically, 1 208 out of the 2 427 milestones and targets related to the digital transformation are assessed as fulfilled by the Commission or reported as completed by Member States (see Figure 24), which yields a progress rate of 50% (including 34% assessed in payment requests). 336 of these milestones and targets contributing to the digital transformation were assessed by the Commission as fulfilled between 1 September 2024 and 31 August 2025. The examples provided in the box below highlight key measures with completed milestones and targets during the reporting period.

⁵¹ This figure shows cost estimates based on the pillar tagging methodology for the [Recovery and Resilience Scoreboard](#) and corresponds to the measures allocated to the digital transformation pillar as primary and/or secondary policy pillar.

Overview: The RRF's support to the digital transformation

Figure 23: Contribution to the digital transformation, per policy area



Note: The figure shows the contribution of measures under the digital transformation pillar included under the RRF and presents associated *ex ante* estimated costs in EUR billion of measures linked to this pillar. Percentage values indicate the share of a specific policy area within the digital transformation pillar.

Source: European Commission

Reforms and investments in digital technologies, infrastructures and processes are essential for increasing the EU's competitiveness, resilience and innovation potential. They are also instrumental in reducing the EU's external dependencies and building technological sovereignty in key areas. The RRF supports a wide range of priorities crucial to the EU's digital transformation. These include:

1. Digital public services – EUR 56 billion

Digital technologies are creating new demands on the public sector, making effective e-digital government a key challenge, with the potential to boost efficiency and generate savings for governments, citizens, and businesses. Many RRFs prioritise measures to digitalise public services and modernise the public administration.

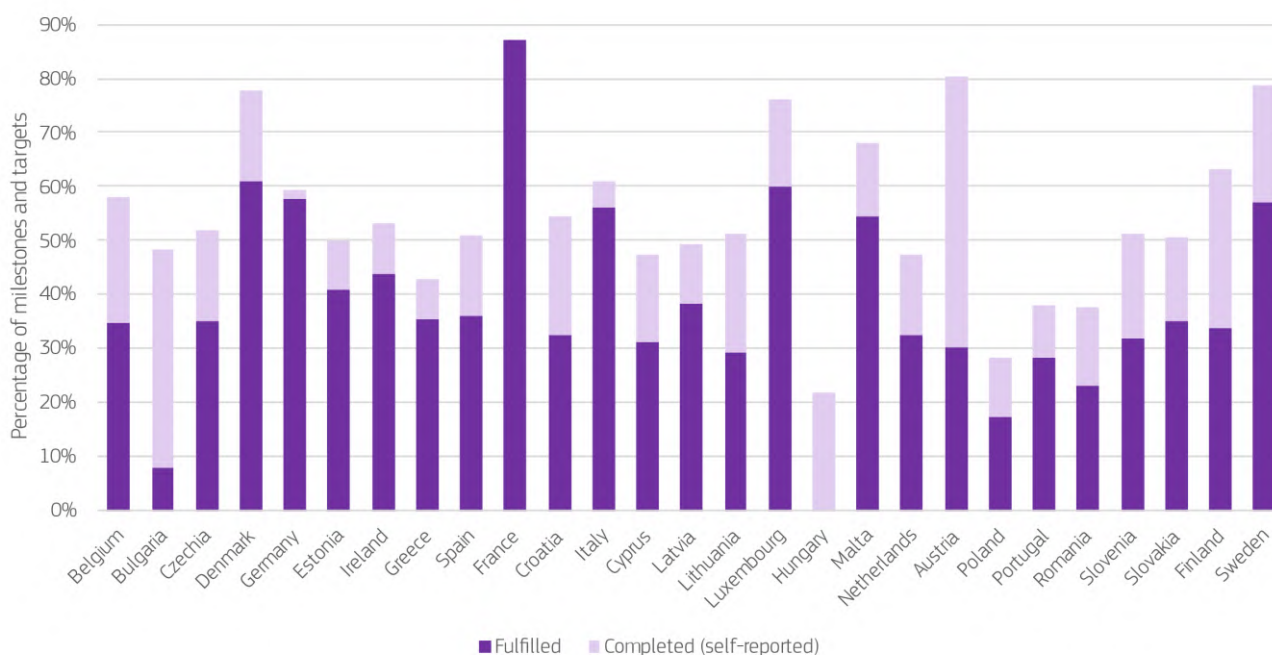
2. Human capital – EUR 28 billion

Digital skills are crucial for individuals and businesses to benefit from the digital transformation, yet about 44% of Europeans lack basic skills well below the 80% target fixed by the Digital Decade policy programme⁵². In parallel, the EU has only 10 million ICT specialists in employment and enterprises struggle to find information and communication technology talent⁵³. The RRF addresses these gaps through strategies and actions to boost digital skills across the population, workforce, and education, with targeted support for vulnerable groups.

3. Connectivity – EUR 13 billion

The availability of high-quality, reliable and secure connectivity is essential for the EU competitiveness, security and social inclusion. Through the RRF, Member States are expanding fixed and 5G broadband, removing administrative barriers, accelerating spectrum assignment, and investing in high-capacity networks.

Figure 24: Percentage of all milestones and targets contributing to the digital transformation that have been assessed as fulfilled or reported as completed, per Member State



Source: European Commission

Examples of relevant measures with fulfilled milestones and targets in the reporting period under the digital transformation pillar

Reforms:

- **Estonia** increased the resilience, security and reliability of the IT systems and services of the Estonian public authorities by having completed the migration to a cloud infrastructure.
- **Belgium** successfully auctioned radio spectrum bands and adapted regional radiation standards in accordance with advice from expert and citizen panels to unblock the roll-out of 5G networks.
- **Germany** digitalised a total of 215 administrative services at regional (*Länder*) and federal level in line with the Online Access Act, thereby reducing administrative burden for citizens.

⁵² See RRF Thematic Analysis 'Digital Skills and education' (June 2024), European Commission, available at: [thematic analysis digital skills](#).

⁵³ See *State of the Digital Decade report 2025 Annex 1 - State of EU digital transformation in 2025: progress and horizontal recommendations*, European Commission, available at: [State of the Digital Decade 2025 report | Shaping Europe's digital future](#).

Investments:

- **Austria** supported over 7 000 companies in carrying out their digital investments, including in hardware, software, digital infrastructure and e-commerce, thus increasing the companies' competitiveness and opportunities to participate in the Single Market.
- **Croatia** digitised and integrated nine operating halls and robotic system at Clinical hospital centre Split. The measure enhances cancer treatment with cutting-edge equipment and integrated, paperless workflows. It improves patient safety, transparency, and cost control while modernising healthcare delivery.
- In **Latvia**, 35 792 computers were purchased for schools to allow pupils from socially vulnerable groups to participate in remote learning activities.
- **Denmark** supported over 550 SMEs by providing grants to fund digital projects such as automation, e-commerce development, and IT investments, helping them modernise their operations and boost competitiveness.

Smart, sustainable and inclusive growth

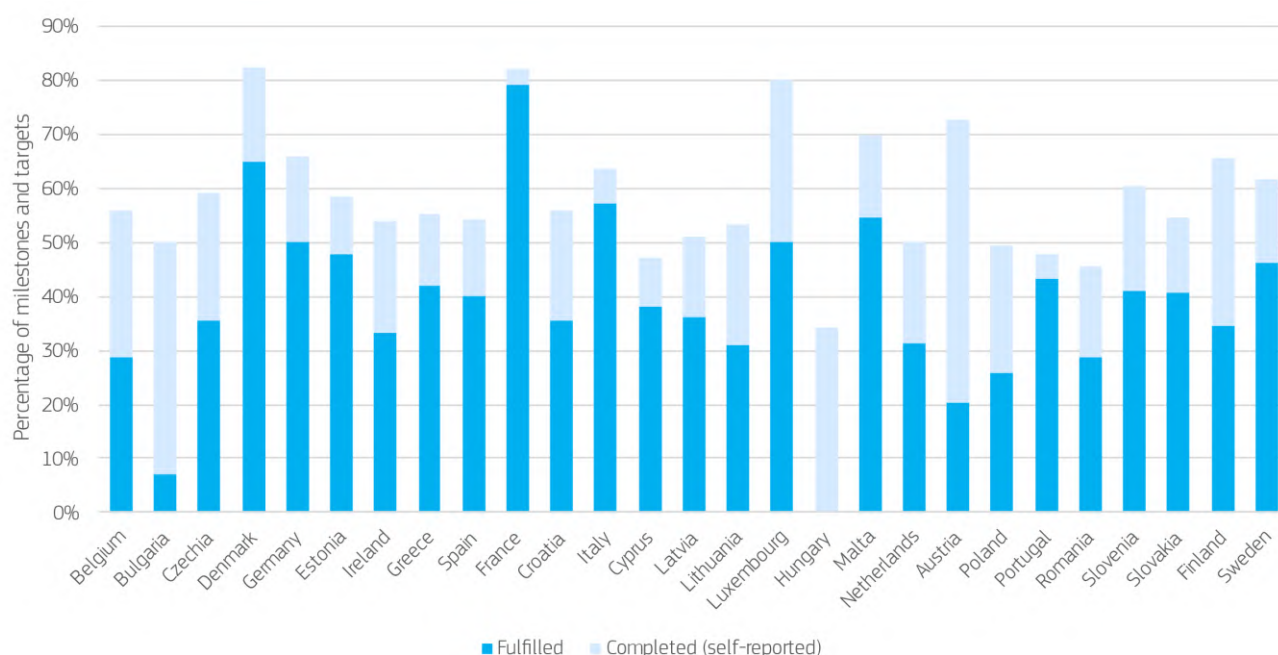
The 27 RRFs contribute to the “smart, inclusive and sustainable growth” pillar with more than 1 800 measures for over EUR 336 billion⁵⁴. These measures cover diverse areas: from reforms to support the business environment (i.e. simplifying regulatory frameworks, cutting red tape, and modernising public administration) or competitiveness (i.e. improving competition, public procurement and trade), to support to SMEs, research and development and innovation, and to the cultural sector.

There has been significant progress in implementing measures related to smart, sustainable and inclusive growth, with over 55% milestones and targets contributing to this RRF pillar assessed as satisfactorily fulfilled or reported as completed by the Member States. Specifically, 1 831 out of the 3 271 relevant milestones and targets are assessed as fulfilled by the Commission or reported as completed by Member States (see Figure 25), which yields a progress rate of 56% (including 38% assessed in payment requests). 469 of these milestones and targets were assessed by the Commission as fulfilled between 1 September 2024 and 31 August 2025.

The RRF provides substantial support to businesses through direct funding and financial instruments. By the second half of 2024, over 4.5 million enterprises – primarily SMEs – received RRF support. Initiatives include digitalisation incentives, R&D funding, and investment in sustainable technologies. The examples provided in the box below highlight key measures with completed milestones and targets during the reporting period.

⁵⁴ This figure shows cost estimates based on the pillar tagging methodology for the [Recovery and Resilience Scoreboard](#) and corresponds to the measures allocated to the smart, sustainable and inclusive growth pillar as primary and/or secondary policy pillar.

Figure 25: Percentage of all milestones and targets contributing to smart, sustainable and inclusive growth that have been assessed as fulfilled or reported as completed, per Member State



Source: European Commission

Examples of relevant measures with fulfilled milestones and targets in the reporting period under the smart, sustainable and inclusive growth pillar

Reforms:

- **Italy** adopted legislation and changed administrative rules to reduce the civil justice backlog by strengthening trial offices, introducing incentives to attract and retain staff, and supporting underperforming courts while rewarding those that meet annual case reduction targets, thereby contributing to improve Italy's business environment.
- **Cyprus** introduced a new framework to facilitate strategic investments through streamlined rules and mechanisms, simplifying the licensing and permit procedures and reducing the administrative burden.
- **Slovenia** established a Public Procurement Academy within the Administrative Academy, managed by the Ministry of Public Administration. It offers training programmes to enhance the competencies and skills of public employees involved in procurement.
- **Lithuania** revised the rules of R&D support measures for businesses to reduce gaps and overlaps between the different measures, thereby creating a more coherent and streamlined innovation support framework.

Investments:

- **Italy** granted 147 557 tax credits to businesses to support innovation and digitalisation, through investments in tangible and intangible capital goods,

standard intangible assets, R&D, innovation, and training activities (Transition 4.0).

- **Slovakia** supported more than 650 researchers across different fields of research through fellowships and grants and launched financial instruments that will support innovative businesses in their seed and growth phases.
- **Spain** set up the Co-Investment Fund, a large financial instrument aiming to incentivise investment and improve access to finance in strategic sectors, particularly those tied to the green and digital transitions.

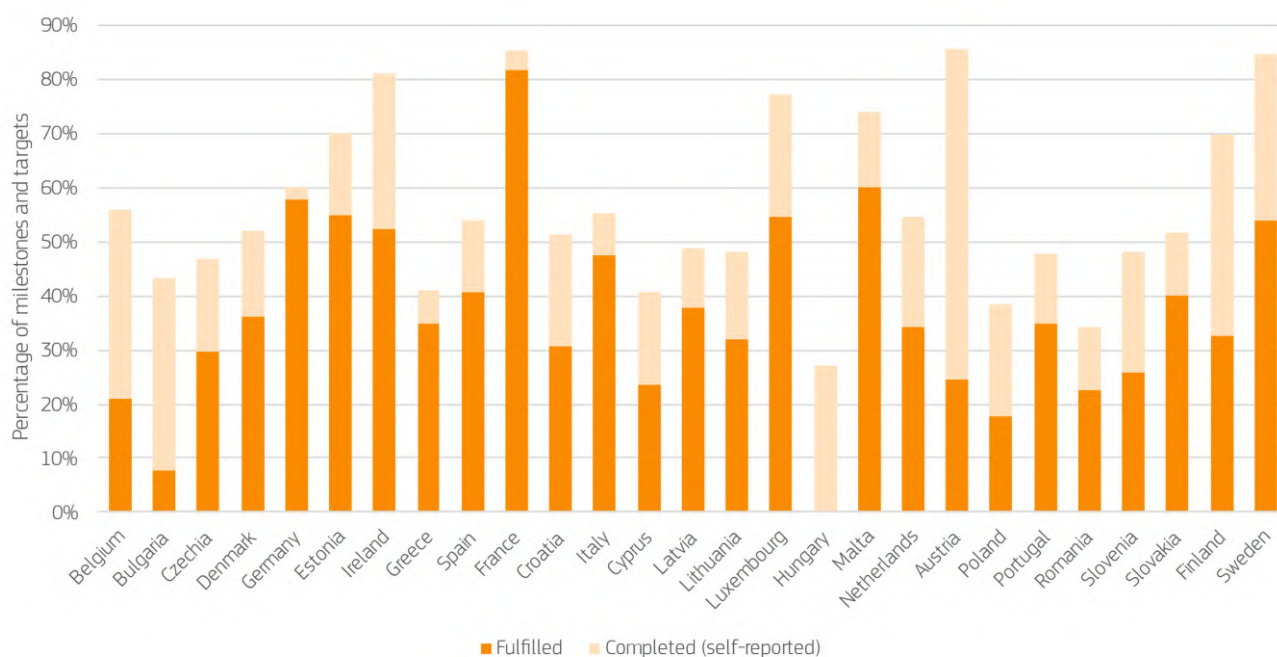
Social and territorial cohesion

Member States have included many measures to support social and territorial cohesion, contributing to the implementation of the European Pillar of Social Rights. Many RRP include dedicated chapters on equal opportunities and labour market access, fair working conditions, and social protection and inclusion. All RRPs also support reforms and investments aimed at improving different types of infrastructure and services (such as transport, environment, energy and public administration) at the local, regional and other territorial levels. More precisely, the 27 RRPs will support the social and territorial cohesion pillar with around EUR 258.3 billion⁵⁵.

RRPs cover social and territorial cohesion to varying degrees, with good overall progress in the implementation of relevant measures. 1 421 out of the 2 795 milestones and targets contributing to social and territorial cohesion are already assessed as fulfilled by the Commission or reported as completed by Member States (see Figure 26), representing a 51% progress rate (including 34% assessed in payment requests). 441 of 2 795 milestones and targets are related to territorial infrastructure and services. 365 of these milestones and targets were assessed by the Commission as fulfilled between 1 September 2024 and 31 August 2025. The examples provided in the box below highlight key measures with completed milestones and targets during the reporting period.

⁵⁵ This figure shows cost estimates based on the pillar tagging methodology for the [Recovery and Resilience Scoreboard](#) and corresponds to the measures allocated to the social and territorial cohesion pillar as primary and/or secondary policy pillar.

Figure 26: Percentage of all milestones and targets contributing to social and territorial



cohesion that have been assessed as fulfilled or reported as completed, per Member State

Source: European Commission

Examples of relevant measures with fulfilled milestones and targets during the reporting period under the social and territorial cohesion pillar

Reforms:

- **Austria** implemented a reform of its pension system to incentivise people to work beyond their statutory retirement age and to tighten the conditions for early retirement. This reform is expected to reduce old age poverty, especially for women, and to contribute to fiscal sustainability and to alleviate labour shortages.
- **Bulgaria** implemented legislative changes to enhance the direct involvement of the regional and local level in the management of EU funds by strengthening their role in the design and implementation of integrated territorial strategies and projects. This is expected to boost the sense of ownership at local level and to increase policy effectiveness by addressing locally identified needs in a more targeted way.
- **Latvia** improved its territorial cohesion by adopting a law on the governance of the municipalities, promoting democratisation, establishing a clearer division of competences and functions, and increasing the participation of local communities on a regular basis.

Investments:

- In **Sweden**, more than 21 000 new study places have been created in regional vocational education at upper secondary level, with priority given to unemployed or people with education levels below upper secondary education.

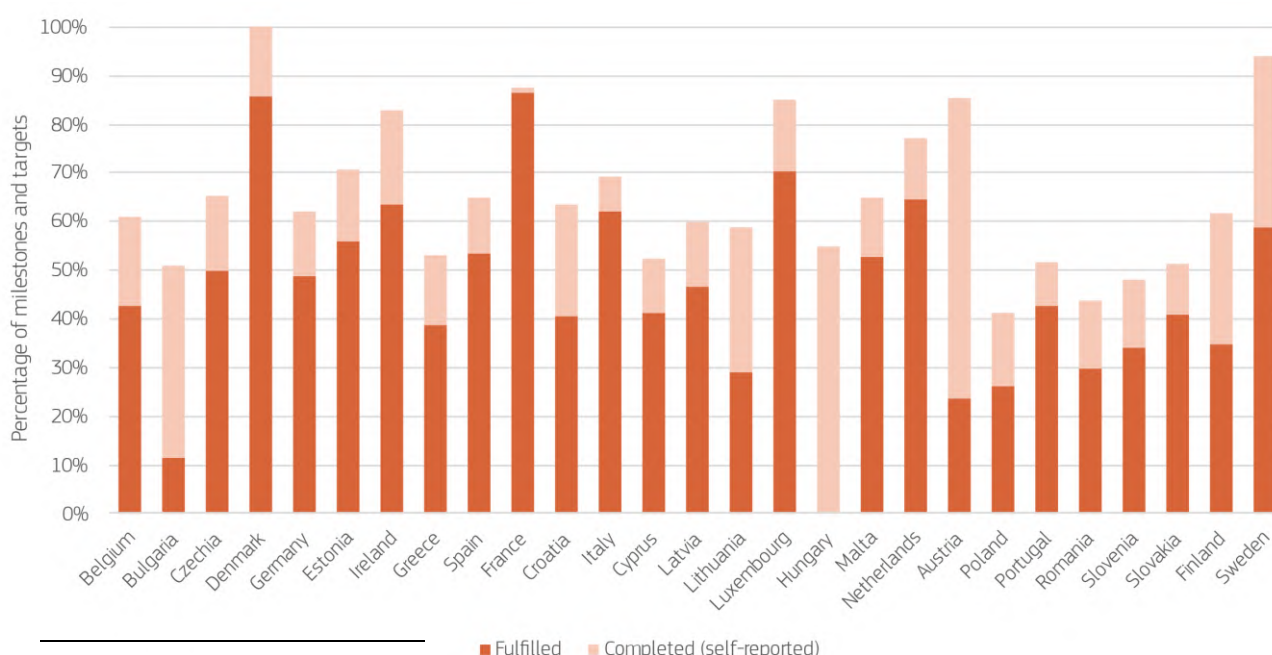
- **Portugal** delivered 1 500 social housing dwellings to eligible households under the social housing programme (1.º *Direito - Programa de Apoio ao Acesso à Habitação*).
- **Italy** upgraded 10 railways stations in the south, making them accessible to persons with disabilities and persons with reduced mobility.

Health, economic and institutional resilience

RRPs contribute significantly to health and economic, social and institutional resilience. They also aim to increase crisis preparedness and crisis response capacity. More than 1 200 measures and sub-measures for about EUR 94.2 billion⁵⁶, included in the 27 RRP, contribute to the health, and economic, social and institutional resilience pillar. These measures cover policy areas ranging from health and long-term care to the effectiveness of judicial systems and anti-money laundering supervision. Transformation of the public administration at all levels has also been supported, from the investment in the civil service to the modernisation of law-making processes.

Health, economic and institutional resilience is the pillar where most progress has been achieved so far. 1 494 out of the 2 473 milestones and targets contributing to these objectives are assessed as fulfilled by the Commission or reported as completed by Member States (see Figure 27), which yields a progress rate of 60% (including 42% assessed in payment requests). 375 of these milestones and targets were assessed by the Commission as fulfilled between 1 September 2024 and 31 August 2025. The examples provided in the box below highlight key measures with completed milestones and targets during the reporting period.

Figure 27: Percentage of all milestones & targets contributing to health, economic & institutional resilience that have been assessed as fulfilled or reported as completed, per Member State



⁵⁶ This figure shows cost estimates based on the pillar tagging methodology for the [Recovery and Resilience Scoreboard](#) and corresponds to the measures allocated to the health, economic and institutional resilience pillar as primary and/or secondary policy pillar.

Examples of relevant measures with fulfilled milestones and targets in the reporting period under the health, economic and institutional resilience pillar

Reforms:

- **Ireland** put in place 96 community health networks, each made up of multi-disciplinary primary care teams delivering local primary health services to a specific geographic area. These networks enable services to be tailored to the needs of the relevant community and improve coordination with health and social support services.
- **Lithuania** adopted a law on ambulance services to ensure faster and more reliable emergency assistance across the country, guided by uniform national standards to improve response times and quality of care for patients.
- **Malta** rolled out a neonatal hearing screening programme to identify babies with hearing problems at an early age. The programme has achieved a screening coverage rate of 89.4% of babies born in 2023, exceeding the 85% target.

Investments:

- **Croatia** upgraded the Clinical Hospital Centre *Sestre Milosrdnice* with modern medical equipment, digital tools, and a renovated neurosurgery clinic, to enable faster and more efficient care, improved patient experience, and a 22% increase in treatment capacity. The hospital now serves over 700 000 patients a year.
- **Sweden** provided training to 1 500 staff members working in elderly care centres to increase the quality of the country's long-term care system.
- **France** improved digital tools in the health sector by deploying national electronic health records with more than 40 million people obtaining a dedicated space on the digital health platform '*Mon Espace Santé*'. France also enhanced interoperability and safety of the software used across the public and private healthcare sectors, and provided support and incentives to facilitate the digital transformation of healthcare professionals. In addition, it equipped facilities with essential digital infrastructure including reliable internet connections, computers and software to modernise healthcare delivery and improve access for the public.
- **Luxembourg** set up a digital register for health professions to centralise data and enhance the management of healthcare professionals. The register tracks information such as the number of doctors, their specialties, and their geographical distribution, enabling the forecasting of professional needs, mobilisation of staff during crises, and management of professional licences.

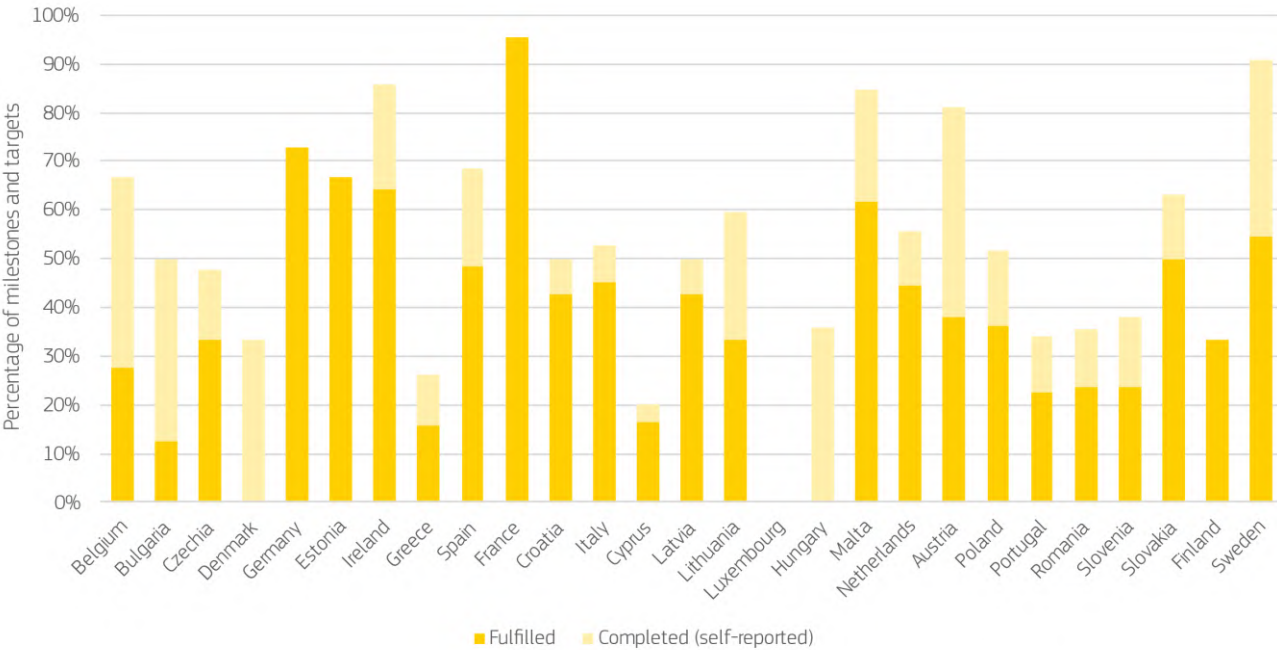
Policies for the next generation

Measures under the “policies for the next generation, children and youth” pillar focus primarily on education, training, early childhood education and care as

well as measures to support youth employment. The 27 RRP support this pillar with about EUR 56.2 billion⁵⁷. Around EUR 45.1 billion contribute to general, vocational, and higher education, EUR 7.4 billion contribute to early childhood education and care and EUR 6.1 billion contribute to youth employment support.

Progress is tangible for the milestones and targets contributing to policies for the next generation, children and the youth, such as education and skills. So far, 346 out of 651 milestones and targets are already assessed as fulfilled by the Commission or reported as completed by Member States (see Figure 28), which yields a progress rate of 53% (including 36% assessed in payment requests). 94 of these milestones and targets were assessed by the Commission as fulfilled between 1 September 2024 and 31 August 2025. The examples provided in the box below highlight key measures with completed milestones and targets during the reporting period.

Figure 28: Percentage of all milestones and targets contributing to policies for the next generation that have been assessed as fulfilled or reported as completed, per Member State



Note: The Luxembourg’s RRP does not include milestones and targets contributing to policies for the next generation.

Source: European Commission

Examples of relevant measures with fulfilled milestones and targets in the reporting period under the policies for next generation pillar

Reforms:

- **Cyprus** adopted new legislation extending free compulsory pre-primary education from the age of four years. To enhance the availability and affordability of early childhood education and care, aid schemes were launched. This legislation will assist with the (re-)entry of people with childcare responsibilities,

⁵⁷ This figure shows cost estimates based on the pillar tagging methodology for the [Recovery and Resilience Scoreboard](#) and corresponds to the measures allocated to the policies for the next generation pillar as primary and/or secondary policy pillar

mostly women, into the labour market and improve children's educational outcomes and social inclusion.

- **Italy** reformed and modernised the curricula of technical and professional institutes and recruited 20 000 teachers under the reformed recruitment system.
- **Lithuania** has updated the content of its pre-primary, primary, lower-secondary and upper secondary education framework programmes. These updates reflect the latest scientific knowledge, ensuring that curricula are relevant and better aligned with the learning needs.
- **Spain** adopted a new law on universities as well as related legislation to promote access to higher education, research, and the transfer and mobility of teaching and research staff, and to provide for good governance of university institutions.

Investments:

- **Italy** awarded more than 55 000 scholarships for university access to students.
- **The Netherlands** developed a dedicated platform and increased funding for schoolboards to support students in their last year of school, aiming to mitigate learning losses due to the COVID-19 pandemic.
- **Sweden** increased the funding of universities and other higher education institutions to help tackle the challenges in the labour market and thereby enabled the registration of around 44 000 additional full-time students.

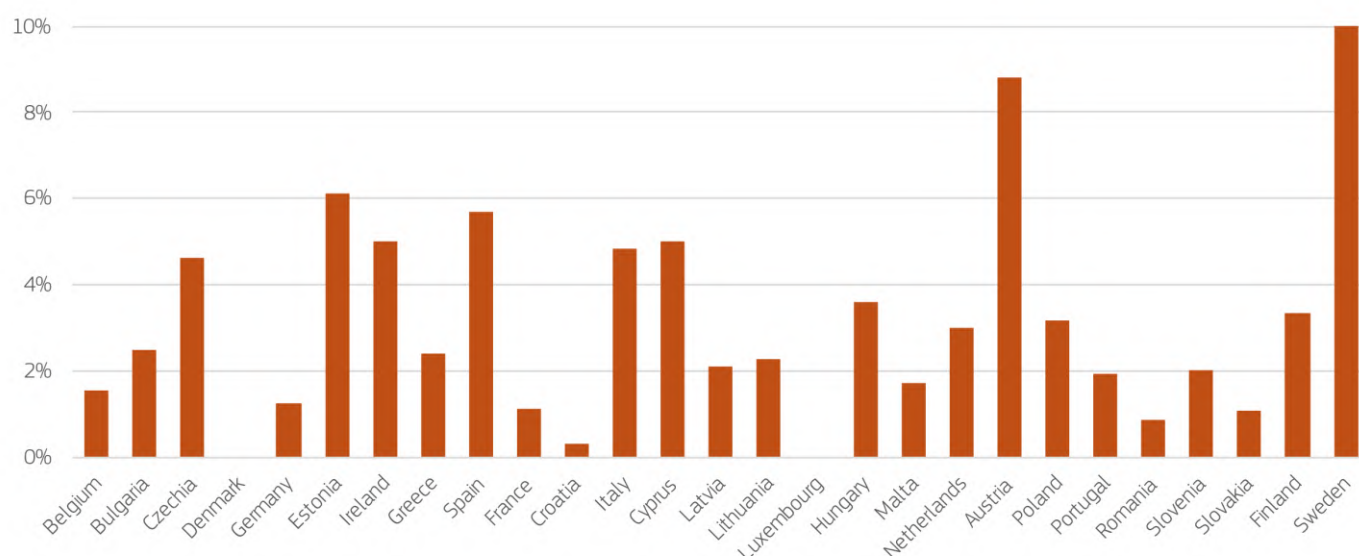
Gender and youth

RRPs contribute significantly to gender equality and focus on children and youth. RRP contain 136 (sub-)measures that altogether contribute EUR 21.9 billion⁵⁸ to gender equality. The breakdown of gender equality relevant measures per Member State is provided in Figure 29. RRP also include 422 (sub-)measures that focus on children and youth, contributing EUR 66.3 billion⁵⁹. These figures do not include the contribution of other reforms and investments that may not initially be regarded as policies contributing to gender equality and to children and youth but whose implementation can have a significant positive impact in this regard. For example, reforms in healthcare might not initially be considered as policies contributing to gender equality but, considering the high percentage of women employed in this sector, their effective implementation can contribute to enhancing gender equality.

⁵⁸ This figure shows cost estimates based on the pillar tagging methodology for the [Recovery and Resilience Scoreboard](#) and corresponds to share of measures with a focus on gender equality.

⁵⁹ This figure shows cost estimates based on the pillar tagging methodology for the [Recovery and Resilience Scoreboard](#) and corresponds to the share of measures with a focus on children and youth.

Figure 29: Percentage of RRP measures with an explicit focus on gender equality

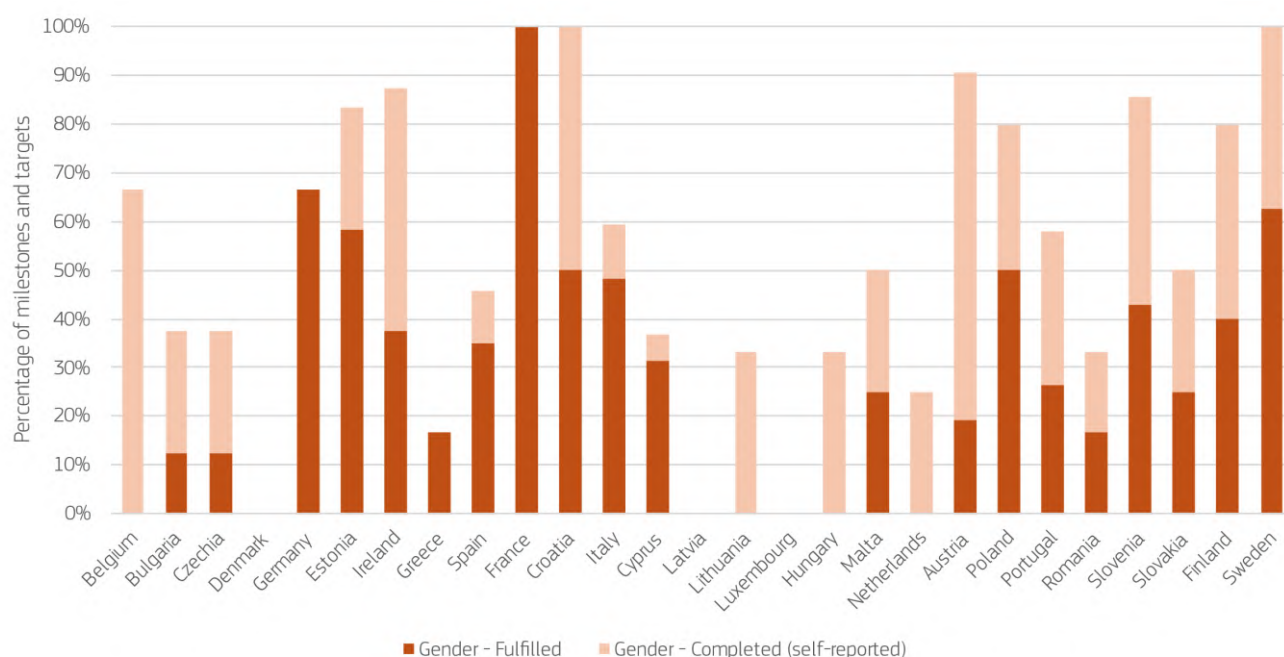


Note: The RRP of Denmark and Luxembourg do not include measures directly contributing to gender equality, although these RRP may include measures that indirectly contribute to gender equality.

Source: Recovery and Resilience Scoreboard

Member States continue to progress in implementing measures that contribute to gender equality and focus on children and youth. Of the 244 milestones and targets with a focus on gender equality, 142 are assessed by the Commission as fulfilled or reported by Member States as completed or (see Figure 30), representing a 58% progress rate (including 33% positively assessed in payment requests). In addition, 375 out of the 702 milestones and targets contributing to children and youth are assessed by the Commission as fulfilled or reported by Member States as completed (see Figure 31), representing a 53% progress rate (including 37% positively assessed in payment requests). 23 of the milestones and targets contributing to gender equality and 107 of those supporting children and youth were assessed by the Commission as fulfilled between 1 September 2024 and 31 August 2025. The examples provided in the box below highlight key measures with completed milestones and targets during the reporting period.

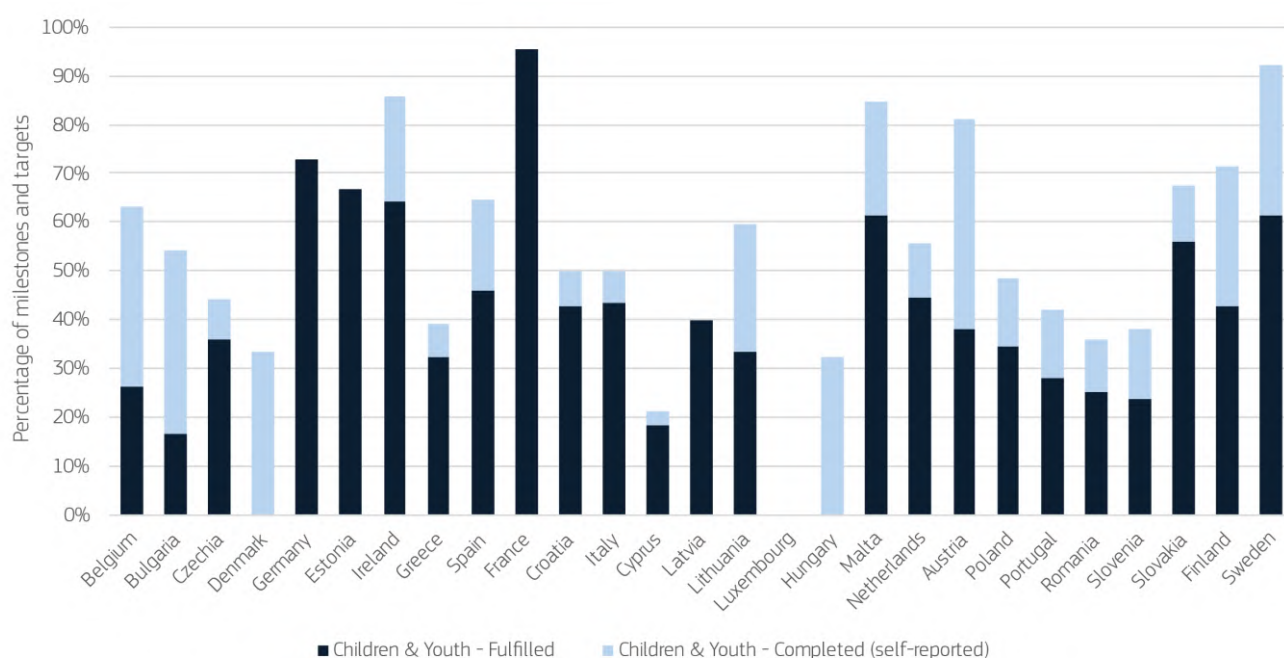
Figure 30: Percentage of all milestones and targets contributing to gender equality that have been assessed as fulfilled or reported as completed, per Member State



Note: The RRP of Denmark and Luxembourg do not include milestones and targets directly contributing to gender equality, although these RRP may include measures that indirectly contribute to gender equality. The RRP of Latvia includes several milestones and targets contributing to gender equality, which are not yet assessed by the Commission as fulfilled or reported by Latvia as completed.

Source: European Commission

Figure 31: Percentage of all milestones and targets with a focus on children and youth that have been assessed as fulfilled or reported as completed, per Member State



Note: The RRP of Luxembourg does not include any milestones and targets directly contributing to children and youth, although this RRP may include measures that indirectly contribute to children and youth.

Source: European Commission

Examples of relevant measures with fulfilled milestones and targets in the reporting period contributing to gender and youth

Reforms:

- **Estonia** continued to take measures to reduce the gender pay gap, including by improving relevant information available to employers.
- **Finland** strengthened the multidisciplinary character of youth centres (*Ohjaamo*), which address the needs of young people not in employment, education or training, so as to improve their employment prospects.
- **Spain** enacted legislation putting in place social and employment guidance services for victims of sexual violence. These services include legal advice, psychological and emotional support, and assistance with labour market integration. In addition, Spain invested in projects that deliver these services on the ground.

Investments:

- **Austria** rolled out early childhood interventions to support families in vulnerable situations during pregnancy and early childhood, thereby promoting health equality and social fairness. The programme has achieved full coverage in all districts.
- **Italy** took actions to increase the participation of young people in the Universal Civil Service programme, to simplify procedures and to improve the quality of the projects.

G. Progress on REPowerEU

REPowerEU chapters continue to support the resilience and sustainability of the EU's energy systems

The REPowerEU Plan, with the RRF at its centre, has significantly contributed to decreasing dependence on Russian gas. In response to the energy crisis following Russia's invasion of Ukraine, the Commission launched the REPowerEU Plan in the spring of 2022. The RRF is at the heart of its implementation and its funding. The RRF Regulation was amended in February 2023 to allow Member States to revise their RRP by adding a dedicated REPowerEU chapter. Additional funding was provided for Member States to include new or scaled-up energy-related reforms and investments. The reforms and investments focused on diversifying energy supplies, increasing energy savings, increasing production of clean energy, and enhancing the resilience, security, and the sustainability of the EU's energy system. As a result of all measures taken so far in the context of the REPowerEU plan, the EU has reduced the volumes

of imported Russian gas from 150 billion cubic meters in 2021 to 52 billion cubic meters in 2024 – with the share of Russian gas imports dropping from 45% to 19%⁶⁰.

All 27 RRFs now include REPowerEU chapters. Bulgaria was the last Member State to submit a dedicated REPowerEU chapter, in April 2025, and the Council adopted the revised plan in July 2025. The chapter includes three new reforms and three new or scaled-up investments. The six measures will help address energy poverty, foster the liberalisation of the electricity market, and promote the deployment, storage, and use of renewable energy. They complement the more than 261 existing measures in the other REPowerEU chapters. With the addition of the Bulgarian REPowerEU chapter, EUR 65.3 billion in estimated costs are now dedicated to the REPowerEU chapters.

The REPowerEU chapters continue to reinforce the RRF's contribution to climate objectives. Approximately 75% of the total estimated cost of REPowerEU measures account as climate expenditure, well above the minimum requirement of 37%, as set out in the RRF Regulation. With the inclusion of the Bulgarian REPowerEU chapter, the additional support under the RRF for climate actions amounts to EUR 48.9 billion, as compared to EUR 47.8 billion set out in the 2024 RRF Annual Report.

REPowerEU measures continue to feature a strong cross-border or multi-country dimension. Cross-border and multi-country projects are crucial for achieving REPowerEU objectives in the medium term and are required under the RRF Regulation. Measures with a cross-border or multi-country dimension or effect are those that contribute to securing the EU's energy supply or reducing fossil fuel dependency and/or energy demand. In key regions, notably the Baltics and Southeastern Europe, new interconnectors are strengthening EU energy security by allowing electricity to flow more freely between Member States – reducing bottlenecks and reinforcing capacity. While direct RRF support for large-scale cross-border infrastructure has been limited due to their inherent complexity and longer timelines, most Member States are investing in energy storage and grid upgrades. These measures improve flexibility, efficiency and the integration of renewables, strengthening the EU-wide energy system. In addition, reforms can also have a cross-border or multi-country dimension or effect, notably those that improve the flexibility, efficiency and integration of renewables, thereby strengthening the EU-wide energy system. All 27 REPowerEU chapters include measures with a multi-country or cross-border dimension, with a total estimated cost of EUR 49.6 billion. This represents 76% of the total cost of all measures included in the chapters, well above the minimum 30% required by the RRF Regulation.

Implementation of REPowerEU measures is progressing at pace

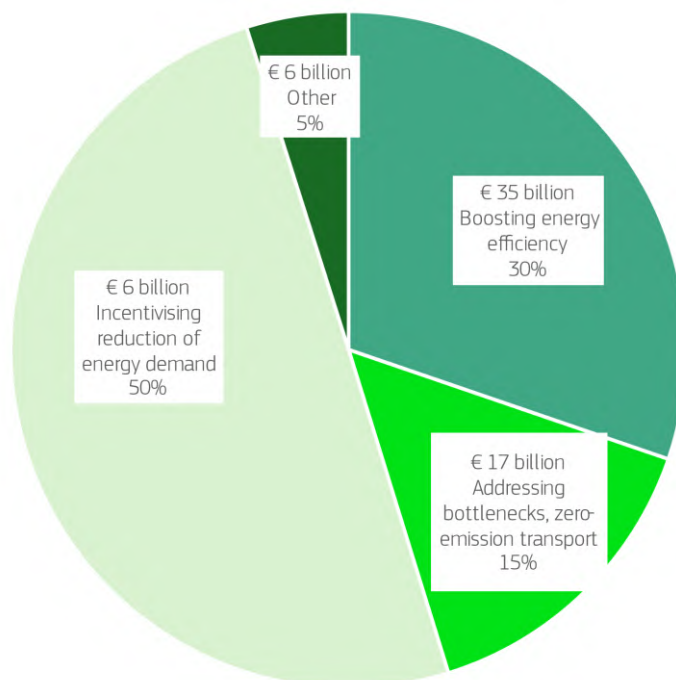
Member States made progress in implementing measures under the REPowerEU chapters. 200 out of the 623 milestones and targets included in the REPowerEU chapters have been assessed as satisfactorily fulfilled by the Commission or reported

⁶⁰ European Commission, *REPowerEU – 3 years on*, available at: [REPowerEU - 3 years on](#).

as completed by the Member States, which yields a progress rate of approximately 32% (including 11% assessed in payment requests) (see Figure 33). Almost all (87%) of the fulfilled REPowerEU milestones and targets were assessed by the Commission as fulfilled between 1 September 2024 and 31 August 2025.

Overview: The RRF's support to the REPowerEU Objectives

Figure 32: Contribution to the REPowerEU objectives, per objective



Note: The graph shows the associated *ex ante* estimated costs in EUR billion of measures linked to the REPowerEU objectives as defined in Article 21c(3) of Regulation (EU) 2023/435. The category “Other” encompasses measures contributing to the REPowerEU objective “Improving energy infrastructure for security of supply” (EUR 1.6 billion), “Requalifying the workforce” (EUR 2 billion), and “Addressing energy poverty” (EUR 2 billion).

Source: European Commission

Reforms and investments in clean energy, energy efficiency and modern electricity infrastructure are essential for increasing the EU’s resilience and competitiveness. The use of financial instruments in some Member States enhances the impact beyond the RRF lifetime and is instrumental in reducing the EU’s dependence on fossil fuel imports by diversifying energy sources and accelerating the deployment of renewables. The RRF supports a wide range of priorities under the dedicated REPowerEU chapters, including for instance boosting energy efficiency and industrial decarbonisation, addressing infrastructure bottlenecks and enabling zero-emission transport, and incentivising the reduction of energy demand.

1. Boosting energy efficiency, decarbonising industry, renewable energy sources – EUR 35 billion

The largest share of REPowerEU chapters funding targets measures to improve energy efficiency, accelerate renewable deployment, and support industrial decarbonisation. For instance, Member States are investing in deep renovations of residential buildings to curb heating costs, in large-scale solar and wind farms, and in cleaner production processes in energy-intensive industries through introduction of cleaner technologies such as electrified furnaces, heat pumps, and hydrogen-ready systems. These measures directly cut emissions, enhance competitiveness, and strengthen long-term energy resilience.

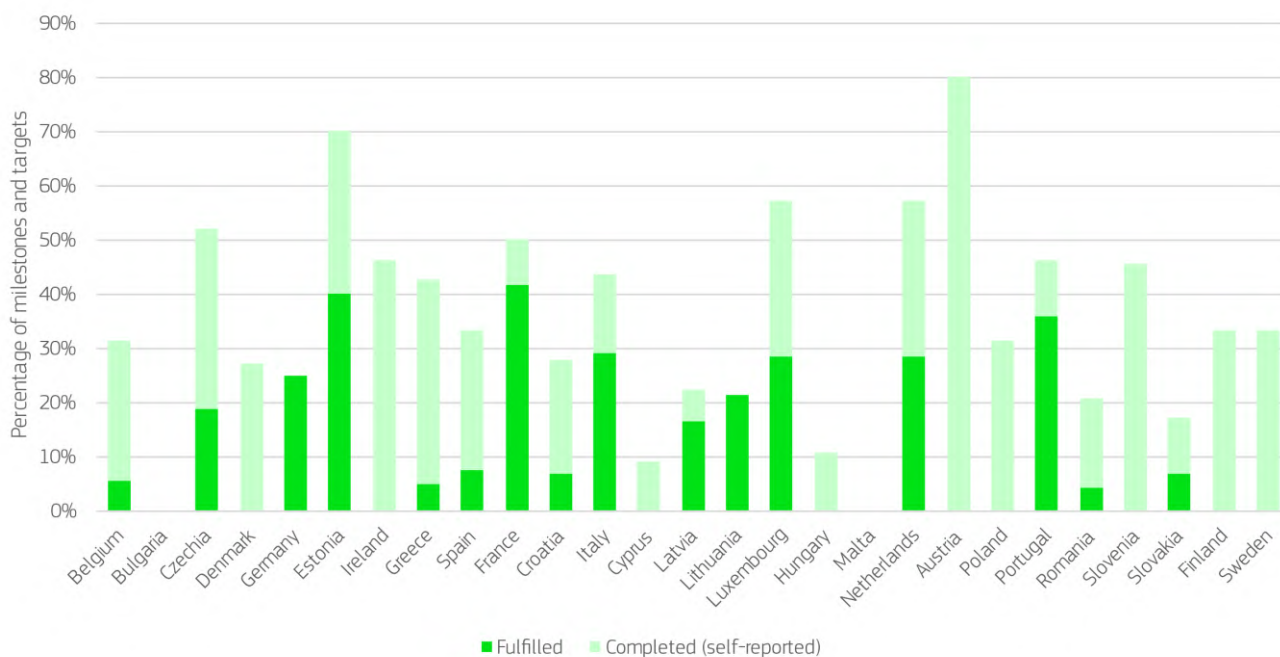
2. Addressing energy-system bottlenecks, zero-emission transport – EUR 17 billion

REPowerEU chapters are tackling critical energy-system bottlenecks, such as insufficient grid capacity, lack of cross-border interconnections, and limited storage capabilities, while accelerating the shift to zero-emission mobility. For instance, Member States are investing in new cross-border electricity interconnectors, modernising power grids to integrate additional shares of renewables, expanding high-speed rail infrastructure, and rolling out charging infrastructure for electric vehicles. These measures remove structural barriers, strengthen the single energy market, and facilitate the uptake of clean transport.

3. Incentivising reduction of energy demand – EUR 6 billion

Member States are using REPowerEU chapters funding to drive immediate and sustained reductions in energy consumption, including through increased energy efficiency. For instance, Member States are investing in schemes to replace inefficient boilers and appliances, energy audits for SMEs, and financial incentives for households to reduce energy consumption. These actions deliver rapid energy savings, help balance supply and demand, and reduce reliance on fossil-fuel imports.

Figure 33: Percentage of all milestones and targets contributing to the green transition that have been assessed as fulfilled or reported as completed, per Member State



Source: European Commission

In the last year, most of the positively assessed REPowerEU milestones and targets reflect progress with renewable energy and networks, as well as significant regulatory reforms to speed up deployment of renewables, incentivise energy efficiency renovations and promote sustainable mobility. For renewable energy and networks, Estonia, Italy and Latvia recorded the largest number

of fulfilled milestones and targets with progress related to this area spreading across 11 plans in total. Czechia, Portugal and Italy introduced regulatory changes for smart, sustainable and inclusive growth. Italy, Luxembourg and Portugal supported actions to improve sustainable mobility. The examples provided in the box below highlight key measures with completed milestones and targets during the reporting period.

Examples of REPowerEU measures with fulfilled milestones and targets in the reporting period

Reforms:

- **Germany** enacted a key reform to accelerate the deployment of offshore wind energy power plants. The reform removes bureaucratic bottlenecks in planning and approval processes and raises the ambition of the expansion path of offshore wind energy generation from 40 GW by 2040 to 70 GW by 2045.
- **Portugal** set up the National Energy Poverty Observatory, a dedicated body to oversee and drive efforts to alleviate energy poverty in Portugal. With one of the highest energy poverty rates in Europe, this reform will help eradicate energy poverty in Portugal by analysing and developing policies, as well as by monitoring, supervising, coordinating and reporting on the implementation of the Long-term Energy Poverty Strategy.
- **Czechia** adopted the third legislative amendment to the Energy Act under REPowerEU (LEX RES III) to establish a regulatory framework for flexibility services, promoting innovative solutions to optimise energy flows and integrate renewables. Building on prior reforms that accelerated permitting, created energy communities, and launched the Electricity Data Centre, Czechia also introduced a framework for renewable acceleration areas. Since the introduction of the RRP, renewable energy capacity in Czechia has increased by approximately 46%.
- **The Netherlands** amended its electricity grid code through a decision by the Authority for Consumers and Markets. The decision provides additional instruments to grid operators for more flexible use of the electricity grid when the grid is congested, as well as incentives for demand reduction and reallocation of grid capacity.

Investments:

- In **Slovakia**, the Energy Data Centre has entered into operation, improving the preconditions for the connection of renewable energy sources by streamlining required data. This allows aggregation of flexibility while improving the conditions for energy communities and sharing of renewable energy sources.
- **Estonia** signed a co-financing agreement to expand its electricity distribution network. The project will increase network capacity by 160 MW, enabling greater integration of renewable energy sources and strengthening the country's energy security.

- **Italy** awarded all contracts for the construction of 511 kilometres of high-voltage cables connecting Caracoli to Eboli. This strategic infrastructure project will reinforce the national transmission grid, improve electricity flows between regions, and facilitate the integration of renewable energy production.

Conclusion

The RRF has shown significant implementation progress over the past year. By 31 August 2025, a total of EUR 362 billion in RRF funds had been disbursed to Member States, corresponding to the satisfactory fulfilment of 2 586 milestones and targets. This represents 56% of the overall allocation (61% of the total non-repayable support and 48% of the total loan support). During the reporting period, from 1 September 2024 to 31 August 2025, critical milestones and targets were fulfilled, strengthening Member States economies and contributing to key EU objectives such as the green transition and digital transformation.

The RRF is generating real impact across the European Union, contributing to sustainable economic growth, together with economic, social and institutional resilience. By the end of 2024, Member States had spent about 80% of the RRF grants they had received, with almost three quarters of the recorded expenditure supporting public investment. This underscores the key role the RRF has been playing in supporting investment in the aftermath of the COVID-19 crisis. Its global cumulative impact is estimated to amount to EUR 892 billion over 2020-2030, including spillovers and indirect effects. This points to the RRF's contribution to long-term growth extending well beyond the strict payments of RRF funds into Member States' budgets⁶¹. Moreover, these estimates do not reflect the expected additional economic benefits of structural reforms spurred by the Facility. Indeed, under the RRF the implementation rate of country-specific recommendations by Member States increased by 17 percentage points compared to before the RRF, demonstrating the Facility's success in contributing to addressing long-standing challenges.

Looking forward, Member States need to urgently accelerate implementation efforts to ensure its successful completion by August 2026. Uneven implementation persists across Member States, which must accelerate efforts to fulfil the remaining milestones and targets to fully leverage the RRF's potential by the upcoming deadline. In its Communication *NextGenerationEU – The road to 2026*, the Commission has provided guidance to support Member States in planning ahead for the submission of the last payment requests in 2026, emphasising the importance of streamlining RRFs. As many Member States still need to fulfil a significant number of milestones and targets, efforts need to intensify regarding simplification of RRFs and adherence to the established timelines, while complying with all requirements of the RRF Regulation. Swift action by the Member States in the remaining months will be crucial to bring the RRF to a successful conclusion. The Commission stands ready to provide continuous guidance and support throughout the process.

⁶¹ See Michels et al (2025), *Economic impacts of the Recovery and Resilience Facility: new insights at sectoral level and the case of Germany*, available at: [Economic Impacts of the Recovery and Resilience Facility: New Insights at Sectoral Level and the Case of Germany](#).