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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

<b>BAR</b>	Brexit Adjustment Reserve
<b>COVID-19</b>	Coronavirus disease of 2019
<b>ECA</b>	European Court of Auditors
<b>ETS</b>	Emissions Trading System
<b>EUR</b>	Euro (€)
<b>RRPs</b>	Recovery and Resilience Plans
<b>RRF</b>	Recovery and Resilience Facility
<b>MWh</b>	Megawatt hour
<b>SMEs</b>	Small and medium-sized enterprises
<b>STEP</b>	Strategic Technologies in Europe Platform

## Executive summary

**The Recovery and Resilience Facility ('RRF') is the centrepiece of NextGenerationEU, Europe's recovery plan to emerge stronger and more resilient from the unprecedented economic and social effects of the COVID-19 pandemic.**

Unprecedented in both scale and ambition, the RRF was set up in 2021<sup>1</sup> as an innovative and performance-based instrument, providing financial support to Member States against the implementation of a combination of pre-agreed reforms and investments. The RRF is time-bound until 2026.

Over time, the RRF adapted to new challenges and provided crucial support to Member States in the wake of Russia's unprovoked aggression against Ukraine, and the ensuing energy crisis. With **REPowerEU**, Member States could benefit from additional resources to boost reforms and investments that diversify the EU's energy supplies, accelerate the green transition, and support vulnerable households.

**In the three and a half years since the entry into force of the RRF Regulation, Member States have made use of the Facility to advance their reform and investment agendas**, in line with common EU priorities, and tackle both long-standing and new challenges, as part of their recovery from the COVID-19 crisis.

**After some delays in 2023 largely linked to the need to adopt REPowerEU chapters, implementation and disbursements have accelerated.** As of the end of August 2024, EUR 265.4 billion were disbursed to Member States and around 85% of the milestones and targets with an indicative date of completion by the first quarter of 2024 were either assessed as satisfactorily fulfilled by the Commission or reported as completed by Member States. This represents a major catch up compared to 2023 where, as reported in the previous RRF annual report, the Commission had disbursed about 58% of the current total amount (EUR 153.4 billion) by 1 September 2023. If all goes to plan, by the end of the year, the RRF will have disbursed more than EUR 300 billion since the start of the Facility.

**The Commission has stepped up its actions to support Member States' implementation efforts, simplify and reduce administrative burden.** On 19 July 2024, the Commission adopted an updated Guidance on RRFs to simplify the implementation of the RRF and improve its effectiveness. The updated guidance takes a special focus on RRF revisions, which will remain relevant to address possible implementation bottlenecks. It provides more clarity on the scope of revisions and the possibility to amend a RRF where a Member State identifies a better alternative to implement a measure in a way that reduces the administrative burden. Furthermore, with the entry into force of the Regulation on the

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<sup>1</sup> [Regulation \(EU\) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility.](#)

Strategic Technologies in Europe Platform ('STEP')<sup>2</sup> (which amended the RRF Regulation), funding from the RRF and other EU funds can now also be allocated to the STEP objectives<sup>3</sup>. This new legal ground for amendment has been reflected in the guidance. The guidance also simplifies reporting requirements for Member States and provides greater clarity regarding the conditions under which support from the RRF and other EU funds can be combined to enhance synergies.

**The mid-term evaluation of the RRF confirmed the added value of an instrument which combines reforms with investment and of its performance-based approach.**

The main strengths of the RRF are its focus on disbursement against progress on the ground and its support to both reforms and investments, often mutually reinforcing, under one instrument. The mid-term evaluation of the RRF, published in February 2024, highlighted the broad support from Member States and other stakeholders for both the performance-based nature of the RRF and the combination of reforms and investments. Paying out on the basis of results achieved, rather than costs incurred, provides predictability and accountability for both Member States and the Commission. Combining reforms and investments in one funding instrument creates synergies between them, incentivises the implementation of key reforms and supports the coherence of national plans. The fast roll-out and swift disbursements show that the RRF has supported Member States in times of crisis, while the unique combination of reforms and investments helps our economies to become better equipped for the future.

**The RRF and its REPowerEU component are also playing a key role in helping EU companies reap the benefits of the green and digital transition.** By 31 August 2024, more than 2 800 000 companies, mostly small and medium-sized enterprises ('SMEs'), had benefitted from RRF support. In addition to direct financial support, the RRFs have also contributed to the implementation of significant reforms to improve the business environment across Member States, for example in the areas of digitalisation of businesses, facilitating permitting procedures, and up- and reskilling of the labour force.

**In view of the time-bound nature of the RRF, all efforts should remain focused on the full and timely implementation of the RRFs by 2026.** Whilst implementation and disbursements have been accelerating, progress varies across Member States. A few Member States have already submitted four or more payment requests, whereas a few others have yet to submit any. In some cases, delays and major challenges to absorb funds by end-2026 persist. All Member States need to continue their efforts to implement their respective RRF in full before the end of 2026, when the Facility is due to expire. Where relevant, RRFs can still be revised to address possible implementation bottlenecks and cater

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<sup>2</sup> [Regulation \(EU\) 2024/795 of the European Parliament and of the Council of 29 February 2024 establishing the Strategic Technologies for Europe Platform \(STEP\).](#)

<sup>3</sup> Thanks to the STEP Regulation, Member States are now able to channel an additional amount of up to 6% of the total RRF allocation to the Invest EU Member State compartment for actions contributing to the STEP objectives, on top of the 4% already allowed by the RRF Regulation. Furthermore, when Member States revise their RRFs, they will need to consider as a priority projects with a STEP Seal.

for emerging and evolving challenges. The Commission stands ready to continue supporting Member States.

**This report is the third in a series of yearly publications on the implementation of the RRF, as required under Article 31 of the RRF Regulation.** It presents the state of play regarding disbursements, revisions of RRP, audit and control-related developments, and communication activities amongst others (section 1); the progress in the implementation of milestones and targets across the RRF policy pillars (section 2); and an overview of the measures included in the Member States' REPowerEU chapters (section 3)<sup>4</sup>. In annex I, country fiches outline the progress made in each Member State, whilst additional annexes focus on specific concepts relevant for the implementation of the RRF. The information provided in this report is based on the content of the RRP as of 31 August 2024; on the data reported by Member States until April 2024 as part of their bi-annual reporting obligations; and on developments in the implementation of the Facility until 31 August 2024, unless otherwise specified.

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<sup>4</sup> The information provided in this report is based on the content of the adopted plans as assessed by the Commission, on the data reported by Member States until April 2024 as part of their bi-annual reporting obligations, on data from the Recovery and Resilience Scoreboard as of 31 August 2024, and on developments in the implementation of the Facility until 31 August 2024, unless otherwise specified.

# 1. State of play on implementation of RRF

## A. Payment requests and disbursements

*The pace of disbursement has increased following the revisions of RRFs*

**By 31 August 2024, over 40% of the available RRF funds had been disbursed to Member States, with the disbursement of grants reaching 48% and loans slightly exceeding 30%.** Since the inception of the RRF, the Commission received 63 payment requests from 25 Member States and disbursed EUR 265.4 billion. This figure includes EUR 198.4 billion disbursed in net terms upon the submission of payment requests and satisfactory fulfilment of milestones and targets, EUR 56.6 billion in RRF pre-financing granted to 21 Member States until 31 December 2021, and EUR 10.4 billion of REPowerEU pre-financing disbursed to 21 Member States. EUR 170.8 billion of the total amount disbursed to Member States concern non-repayable support and EUR 94.6 billion concern loans. If the current pace of disbursement is maintained, the Commission expects to have disbursed more than EUR 300 billion by the end of 2024. Table 1 provides an overview of the submission of payment requests by Member States and the corresponding total disbursements by the Commission, covering both non-repayable support and loans, following a positive assessment of the milestones and targets covered by the respective payment request.

**Following a slower pace of disbursement in the first half of 2023 as efforts were geared towards the revisions of RRFs, disbursements accelerated as of the second half of the year.** Between 1 September 2023 and 31 August 2024, EUR 112.0 billion were disbursed to Member States. This includes EUR 10.4 billion in REPowerEU pre-financing as well as EUR 60.4 billion in non-repayable support and EUR 41.2 billion in loans disbursed upon the satisfactory fulfilment of 908 milestones and targets assessed in 27 payment requests. In comparison, EUR 40.6 billion were disbursed between 1 September 2022 and 31 August 2023, with EUR 26.9 billion in non-repayable support and EUR 13.7 billion in loans. The funds were all disbursed upon the satisfactory fulfilment of milestones and targets assessed in 17 payment requests, as no pre-financing were disbursed over that period.

**Member States received EUR 10.4 billion in REPowerEU pre-financing in 2023-2024.** Member States that modified their RRFs to include a REPowerEU chapter end of 2023 had the possibility to request up to 20% of the additional funding in the form of pre-financing, to finance their REPowerEU measures<sup>5</sup>. 21 Member States requested and received REPowerEU pre-financing (see Table 1). Bulgaria, Germany, Ireland and Luxembourg were not eligible for REPowerEU pre-financing since their REPowerEU chapters were not adopted

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<sup>5</sup> See Article 21d of the [RRF Regulation](#).



by the Council by end-2023. The Netherlands and Sweden did not request any REPowerEU pre-financing.

Table 1: State of play on implementation of RRF payment requests, by 31 August 2024

	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
27 plans approved by the Commission and adopted by the Council																											
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)	●				●		●									●			■								■
26 Operational Arrangements signed																											
63 payment requests submitted to the Commission, including loans where relevant	2x	2x	2x	2x	1x	2x	1x	4x	4x	3x	5x	6x	3x	2x	2x	1x		2x	1x	1x	1x	5x	3x	3x	4x	1x	
51 payments disbursed upon satisfactory fulfilment of M&Ts (EUR 198.4 billion)		1x	2x	2x	1x	2x	1x	3x	4x	3x	5x	5x	1x	2x	2x	1x		2x		1x	1x	4x	2x	2x	3x	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 suspension procedure has increasingly been used, which facilitates swifter disbursements*

**The possibility for the Commission to partially suspend payments provides flexibility for Member States to receive a disbursement in case they face short implementation delays related to specific milestones or targets.** The RRFs link each disbursement amount to a fixed set of milestones and targets. This ensures Member States' implementation progress but also means that the delay in a single milestone or target can delay an entire payment request. The partial payment methodology provides the needed flexibility to disburse to Member States part of the funds and thus progress the payment request, when a small number of milestones or targets are not yet satisfactorily fulfilled. Pursuant to Article 24(8) of the RRF Regulation, Member States then have six months following the adoption of the Commission decision on the partial suspension of the disbursement to undertake the necessary steps to ensure the satisfactory fulfilment of the remaining 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.

**The increased use of partial payments has helped speed up the disbursement of RRF funds.** Since publishing the methodology for the determination of partial payment suspension in 2023<sup>6</sup>, the Commission has encountered six cases of payment requests where one or more milestones or targets could not be assessed as satisfactorily fulfilled. Between 1 September 2023 and 31 August 2024, the Commission assessed that payment requests submitted by Spain<sup>7</sup>, Italy<sup>8</sup>, Portugal<sup>9</sup>, and Romania<sup>10</sup> included one or more milestone or target that could not be assessed as satisfactorily fulfilled. This is additional to the payment already suspended in April 2023 for Lithuania's first payment request<sup>11</sup>. Furthermore, the preliminary assessment of Belgium's first payment request<sup>12</sup> considers that one milestone could not be assessed as satisfactorily fulfilled<sup>13</sup>.

**In 2024, the Commission both lifted suspensions and permanently reduced RRF support for the first time.** In the case of Lithuania, in the six months following the adoption of the suspension decision in April 2023, national authorities took additional policy action and, in October 2023, submitted additional information to the Commission on the suspended milestones. The Commission concluded that one of these two milestones was satisfactorily fulfilled, whilst the second continued to be not satisfactorily fulfilled. Consequently, the Commission partly lifted the suspension and disbursed EUR 14.9 million to Lithuania, in recognition of the progress made. At the same time, the Commission also reduced Lithuania's financial allocation by EUR 8.7 million, corresponding to the non-fulfilled milestone<sup>14</sup>. Also in the case of Portugal, national authorities took policy action in the six months following the suspension for the third and fourth payments adopted in December 2023. In June 2024, the Commission concluded that the outstanding milestones and target were satisfactorily fulfilled. Accordingly, the Commission fully lifted the previously

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<sup>6</sup> See Annex II of the [Communication from the Commission to the European Parliament and Council \(COM\(2023\) 99 final\)](#)

<sup>7</sup> See [Commission Implementing Decision of 19.7.2024 on the partial suspension of the disbursement of the fourth instalment of the non-repayable support for Spain](#).

<sup>8</sup> See [Commission Implementing Decision of 26.7.2024 on the partial suspension of the disbursement of the fifth instalment of the non-repayable support for Italy](#).

<sup>9</sup> See [Commission Implementing Decision of 22.12.2023 on the partial suspension of the disbursement of the third and fourth instalments of the non-repayable support for Portugal](#).

<sup>10</sup> See [Commission implementing Decision of 21.9.2023 on the partial suspension of the disbursement of the second instalment of the loan support to Romania](#).

<sup>11</sup> See [Commission Implementing Decision of 28.4.2023 on the partial suspension of the disbursement of the first instalment of the non-repayable support for Lithuania](#).

<sup>12</sup> See [Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the first payment request submitted by Belgium on 29 September 2023, transmitted to the Economic and Financial Committee by the European Commission](#).

<sup>13</sup> Note that the Commission's preliminary assessment had not yet been reviewed by the Economic and Financial Committee at the time of writing and the Commission Implementing Decision on the partial suspension had thus not yet been adopted by the cut-off date of this annual report, i.e. 31 August 2024. The [Commission Implementing Decision on the partial suspension of the disbursement of the first instalment of the non-repayable support to Belgium](#) was adopted on 16 September 2024.

<sup>14</sup> See [Commission Implementing Decision of 6.5.2024 on the reduction of the amount of the first instalment of the non-repayable support for Lithuania](#).

suspended amount and disbursed EUR 720 million to Portugal<sup>15</sup>. In March 2024, Romania also presented additional justifications to demonstrate that it had undertaken the necessary measures for the satisfactory fulfilment of previously suspended milestones. Based on the information provided, the Commission assessed that one of the two milestones was satisfactorily fulfilled, whilst the second continued to be not satisfactorily fulfilled. The Commission will conclude its assessment after having given Romania the possibility to present its observations within two months from the communication of its conclusions, in line with Article 24(8) of the RRF Regulation. By 31 August 2024, the six-months suspension period where Member States can take the necessary steps to ensure the satisfactory fulfilment of the remaining milestones or targets was ongoing for Spain and Italy.

### *The Commission has continued to issue EU-Bonds to finance the RRF*

**In 2024 the Commission continued to raise funds in the markets through a unified funding approach**, under which 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 2024, the total amount of EU outstanding bonds stood at EUR 531.4 billion, of which EUR 60.2 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 2024 EU Bills outstanding stood at EUR 20.9 billion.

**With the proceeds raised from EU-Bond issuances, the Commission was able to continue the smooth funding of Member States' RRFs.** The Commission made all disbursements to Member States under the RRF as soon as they fell due, on average within six working days after their authorisation. No delays were experienced.

**In June, the Commission released its funding plan for the second semester of 2024, with a funding target of up to EUR 65 billion of long-term EU-Bonds between July and end-December 2024.** The H2 funding plan built on the completion of the EUR 75 billion target for the first semester of 2024, with issuances aiming to mobilise a total funding of up to EUR 140 billion in 2024 (versus a EUR 120 billion funding target in 2023).

**Under NextGenerationEU and based on Member States' requests for funding under the RRF and the funding needs of other EU programmes supported by NextGenerationEU, the Commission expects to raise up to EUR 712 billion through the issuance of EU-Bonds by 2026** (out of a maximum programme envelope of EUR 806.9 billion<sup>16</sup>). This makes the EU one of the largest issuers of euro-denominated debt in this period.

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<sup>15</sup> See [Commission Implementing Decision of 26.7.2024 amending Commission Implementing Decision \(C2023\) 9290 of 22.12.2023 on the authorisation of the disbursement of the third and fourth instalment of the non-repayable support and the third and fourth instalment of the loan support for Portugal](#).

<sup>16</sup> The difference between these two amounts corresponds to the amount in available RRF loan support not requested by Member States. Given that the deadline for requesting loan support has now expired, under the current legal framework, these remaining funds will not be raised by the Commission on the financial markets to fund these loans.

*An increasing number of measures are eligible for financing under NextGenerationEU Green Bonds*

**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 of the euro in the sustainable finance markets. The first NextGenerationEU Green Bond was issued in October 2021. Through this 15-year bond, the Commission raised EUR 12 billion, making it the world's largest green bond transaction to date. Since then, the Commission has issued EUR 60.2 billion of NextGenerationEU Green Bonds, with new issuances calibrated to correspond to reported green expenditure from Member States.

**National expenditure to implement measures financed by NextGenerationEU Green bonds have, by 31 August 2024, related mainly to energy efficiency measures (42.8% of allocated expenditures) and clean transport and infrastructure (33.3%).** Clean energy and network was the third biggest category of expenditure with 8.4% of expenditures among nine categories of expenditure to which NextGenerationEU green bonds proceeds can be allocated.

**The EU advances sustainable finance through the NextGenerationEU Green Bonds by channelling funds into a wide array of green projects.** 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. 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.

**In line with the reporting requirements of the NextGenerationEU Green Bond Framework, the Commission published in December 2023 the first comprehensive NextGenerationEU Green Bonds Allocation and Impact Report.** The analysis shows that measures financed by these bonds can reduce greenhouse gas emissions by 44 million tonnes per year, equivalent to 1.2% of the EU's aggregate greenhouse gas emissions.

**Since the last report, due to the inclusion of new measures from the recently adopted REPowerEU chapters, the pool of planned measures eligible for receiving financing under NextGenerationEU green bonds has increased** by more than EUR 80 billion to reach EUR 268.1 billion of eligible assets by 31 August 2024. The next report will be published in November 2024, showing a further increase in the amount of greenhouse gas emissions that can be avoided by NextGenerationEU green bond investments.

## *Macroeconomic conditionality and the RRF*

**Article 10 of the RRF Regulation connects the RRF to the EU’s fiscal governance framework.** Specifically, Article 10(1) of the RRF Regulation requires the Commission to make a proposal to the Council to suspend all or part of the relevant commitments or payments where the Council decides in accordance with Article 126(8) or (11) TFEU that a Member State has not taken effective action to correct its excessive deficit. This is unless the Commission has determined the existence of a severe economic downturn for the Union as a whole within the meaning of Articles 3(5) and 5(2) of Council Regulation (EC) No 1467/97, i.e. the general escape clause of the corrective arm of the Stability and Growth Pact. Article 10(8) of the RRF Regulation requires the Commission to carry out a review of the application of Article 10 by the end of 2024 and to report to the European Parliament and the Council. The present report fulfils this requirement.

**There was only one case since the inception of the RRF that was relevant to the application of Article 10 of the RRF Regulation.** On 19 June 2024, the Commission proposed a Council decision under Article 126(8) TFEU due to Romania’s failure to deliver effective action in response to a recommendation under Article 126(7) TFEU, i.e. a recommendation under the excessive deficit procedure of the Stability and Growth Pact. The recommendation under Article 126(7) TFEU had been adopted by the Council on 18 June 2021 and recommended Romania to put an end to the excessive deficit situation by 2024 at the latest.

**In 2023, the EU was still considered to be in a situation of severe economic downturn for the EU as a whole, with the general escape clause of the Stability and Growth Pact still activated.** For this reason, the Commission did not propose the suspension of commitments or payments of EU funds to Romania after the Council adopted the decision under Article 126(8) TFEU on 26 July 2024.

## **B. Revision of RRP**s

*Updated RRP*s remain ambitious following the revisions undertaken in 2023 and 2024

**Geopolitical events, high inflation, supply chain shortages and, in some cases, natural disasters made it challenging for Member States to implement certain reforms and investments in their RRP**s. Member States, supported by the Commission, were able to mitigate these external constraints and to revise the relevant measures using the flexibility embedded in the RRF Regulation to amend RRPs where objective circumstances made it impossible to achieve the original milestones and targets (under Article 21 of the RRF Regulation). Member States also introduced REPowerEU chapters in their RRPs, thus benefitting from additional resources and boosting reforms and investments that diversify the EU’s energy supplies, accelerate the green transition and support vulnerable households.

These revisions were also the occasion to update the RRP to take account of the revised financial allocation to Member States<sup>17</sup> and tap into the remaining loan support<sup>18</sup> available under the RRF.

**Revisions of RRP ensured that they address the impact of high inflation and supply side bottlenecks that impacted the investment pipeline.** All RRP were updated at least once in 2023 and some were subject to additional targeted amendments: by the report’s cut-off date (31 August 2024), all Member States had submitted at least one request to modify their RRP, 26 had submitted a REPowerEU chapter, and 11 Member States had also made additional targeted revisions (Table 2). In revising their RRP, Member States paid particular attention not only to the quality of the measures but also to their degree of maturity and their implementation horizon, given the timebound nature of the RRF until 2026. Commitments that were no longer achievable due to objective circumstances were adjusted and, in many cases, replaced by more suitable alternatives, while keeping the original ambition of the RRP intact. The RRF’s broad scope has provided the necessary flexibility for Member States to allocate resources according to their evolving priorities, in line with the RRF objectives.

*Table 2: State of play on the submission of modified RRP and REPowerEU chapters by 31 August 2024*

	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
27 plans approved by the Commission and adopted by the Council																											
42 revisions submitted to the Commission	1x	1x	1x	1x	3x	1x	3x	2x	2x	1x	1x	3x	2x	1x	2x	2x	1x	1x	1x	2x	2x	1x	1x	1x	3x	1x	
26 REPowerEU chapters submitted to the Commission																											
40 revisions assessed by the Commission	1x	1x	1x	1x	3x	1x	3x	2x	2x	1x	1x	3x	2x	1x	1x	2x	1x	1x	1x	2x	1x	1x	1x	1x	3x	1x	
39 revisions adopted by Council	1x	1x	1x	1x	3x	1x	3x	2x	2x	1x	1x	3x	2x	1x	1x	1x	1x	1x	1x	2x	1x	1x	1x	1x	3x	1x	

Source: European Commission

*The total financial envelope and RRF contribution to each six policy pillars has changed following RRP revisions*

**The total financial envelope of the RRF was determined at EUR 650 billion at the end of August 2024.** This breaks down in EUR 359 billion in non-repayable support and EUR 291 billion in loans. It includes the additional non-repayable support financed by the

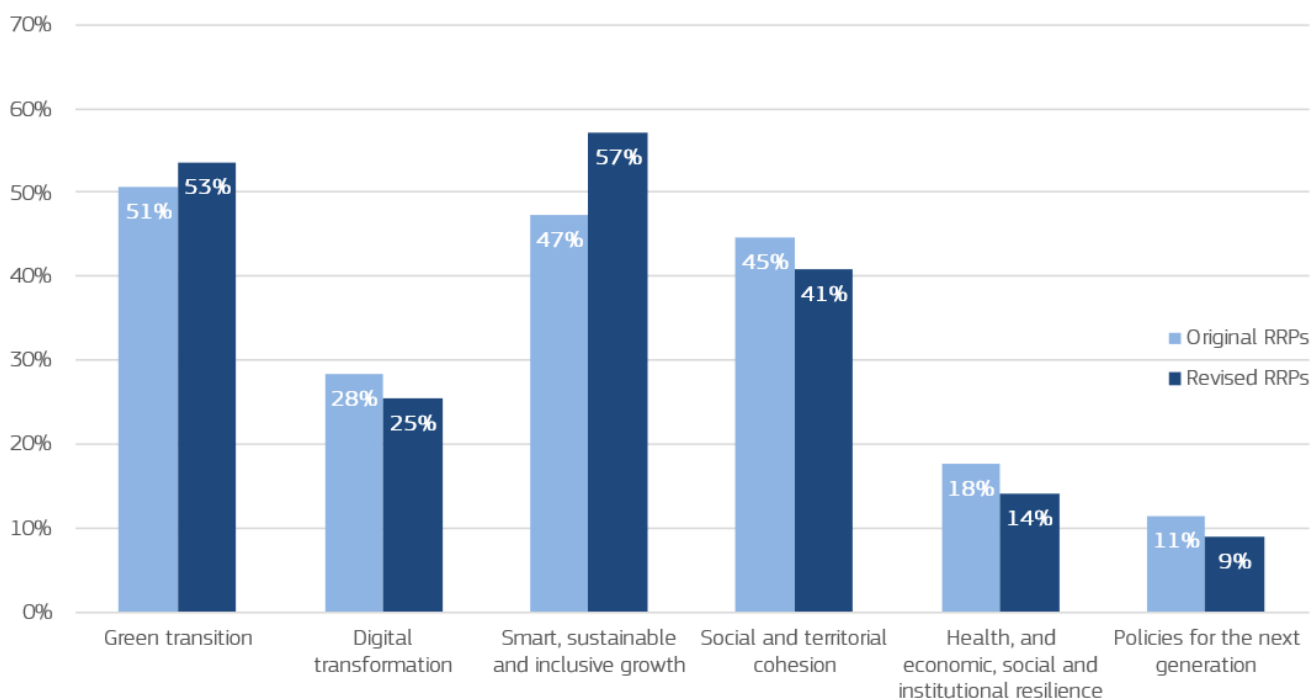
<sup>17</sup> In line with Article 11(2) of the [RRF Regulation](#), the maximum financial contribution for non-repayable financial support of each Member State was updated in June 2022 on the basis of Eurostat outturn data on the change in real GDP growth over 2020 and the aggregate change in real GDP for the period 2020-2021.

<sup>18</sup> Member States could request (additional) loan support until 31 August 2023, as stipulated in Article 14(2) of the [RRF Regulation](#). Of the overall envelope of EUR 385.8 billion available for loan support under the RRF, close to EUR 291 billion have been committed by end-2023.

Emissions Trading System ('ETS') and transfers from the Brexit Adjustment Reserve ('BAR') that were made available to Member States by the amended RRF Regulation to support REPowerEU. The EUR 359 billion in non-repayable support is split in (i) EUR 338 billion in original RRF non-repayable support, (ii) close to EUR 19.5 billion in ETS non-repayable support, and (iii) close to EUR 2 billion in BAR non-repayable support. Member States were able to request loan support until August 2023. Of the total available loan envelope of EUR 385 billion, close to EUR 291 billion was committed by end-2023, the legal deadline for financial commitments under the RRF. These two changes (an increase in non-repayable support available through ETS and BAR and less loan support requested than the total available envelope) led to a total RRF envelope of EUR 650 billion by end-August 2024. The previously reported amount of EUR 723 billion represented the maximum amount of RRF non-repayable support (EUR 338 billion) and RRF loans (EUR 385 billion) made available by the RRF Regulation.

**As a result of this and the related plan revisions, the contribution of the RRFs to each policy pillar in terms of estimated costs has changed (see Figure 1).** Whilst in absolute terms the estimated costs have increased for each policy pillar, measures contributing to pillar 1 on the green transition and pillar 3 on smart, sustainable and inclusive growth have been reinforced and a higher share of the RRFs now contributes to these two objectives.

*Figure 1: Share of RRF estimated costs contributing to each policy pillars, before and after revisions of RPPs*



**Note:** Each measure contributes towards two of the six policy pillars. Therefore, the total contribution to all pillars displayed on this chart amounts to 200% of the RRF funds allocated to Member States. The percentages shown for the contribution to the green transition and digital transformation pillars are different from the percentages shown for the contribution to the climate and digital objectives; the latter are calculated according to a different methodology (detailed in Annexes VI and VII of the RRF Regulation).

**Source:** Recovery and Resilience Scoreboard

*Payment profiles have evolved following the revisions of RRFs<sup>19</sup>*

**The payment profiles under the RRF (i.e. the amount to be disbursed in instalments against the satisfactory fulfilment of a predefined list of milestones and targets) were established according to a set of guiding principles.** The original payment profiles were established as the reflection of several factors, including national financing needs and budgetary planning, and the proportion of milestones and targets in each instalment as well as their relative importance. As such, there is no simple linear relation between the number of milestones and targets in a given instalment and the size of the related disbursement. Following discussions with Member States, the Commission proposed payment profiles that were ultimately approved by the Council.

**With the revision of RRFs, payment profiles have evolved to reflect the addition of REPowerEU chapters, changes in the financial allocation per Member State and adjustments to existing RRF measures.** The adoption of the REPowerEU chapters led to an increase in total grant support to Member States, with new REPowerEU-related milestones and targets added to the existing instalments. In addition, the plan revisions also aimed to reflect the updated financial allocation (Article 18 of the RRF Regulation) and account for objective circumstances affecting the achievability of measures (Article 21). This led to changes in the content (e.g. downscaling/upscaling of quantitative targets, replacement of milestones and targets with better alternatives) and implementation timelines of a number of measures in the RRFs. Both the change in the grant allocation and the addition, removal, and modification of milestones and targets were reflected in the revised payment profiles in line with the guiding principles used when establishing the payment profiles listed above. The Commission considered the need to ensure that payment profiles are commensurate to the implementation progress of milestones and targets, taking into account their relative importance, that they incentivise full implementation of the plans, and that, on aggregate, they remain compatible with the Union's funding plan.

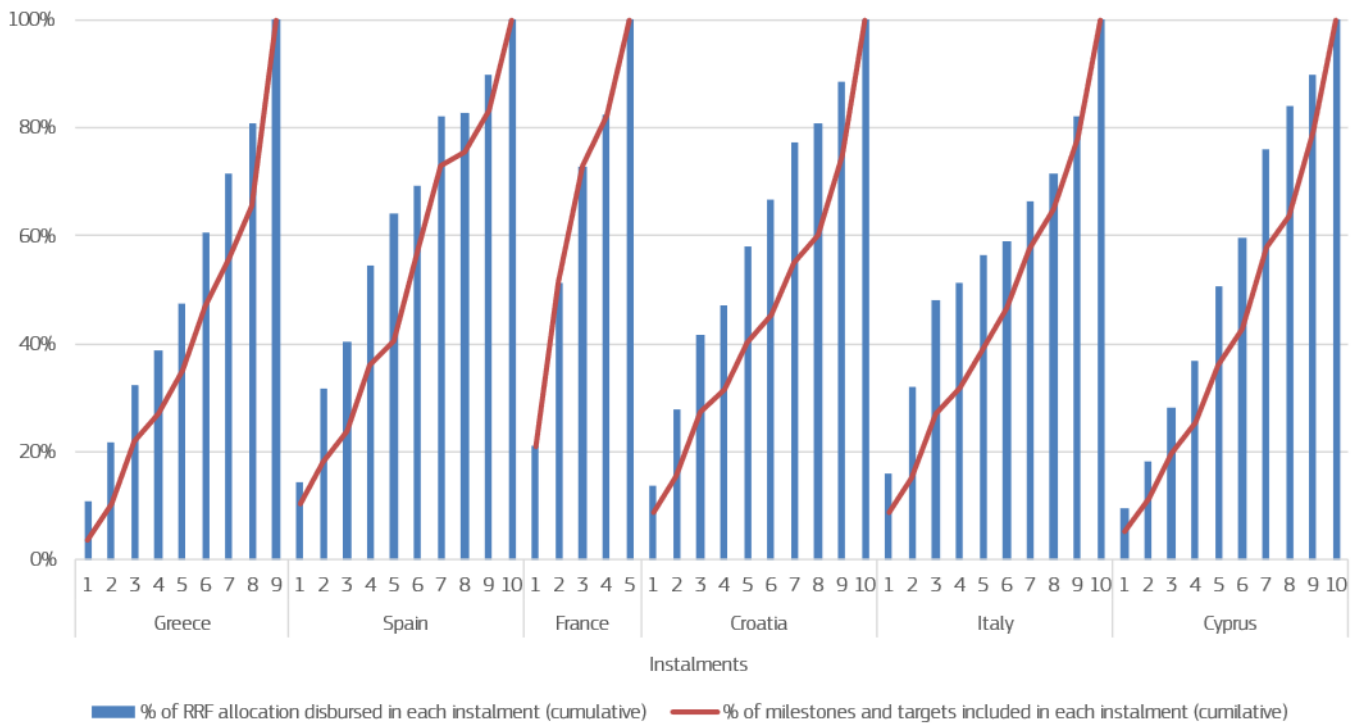
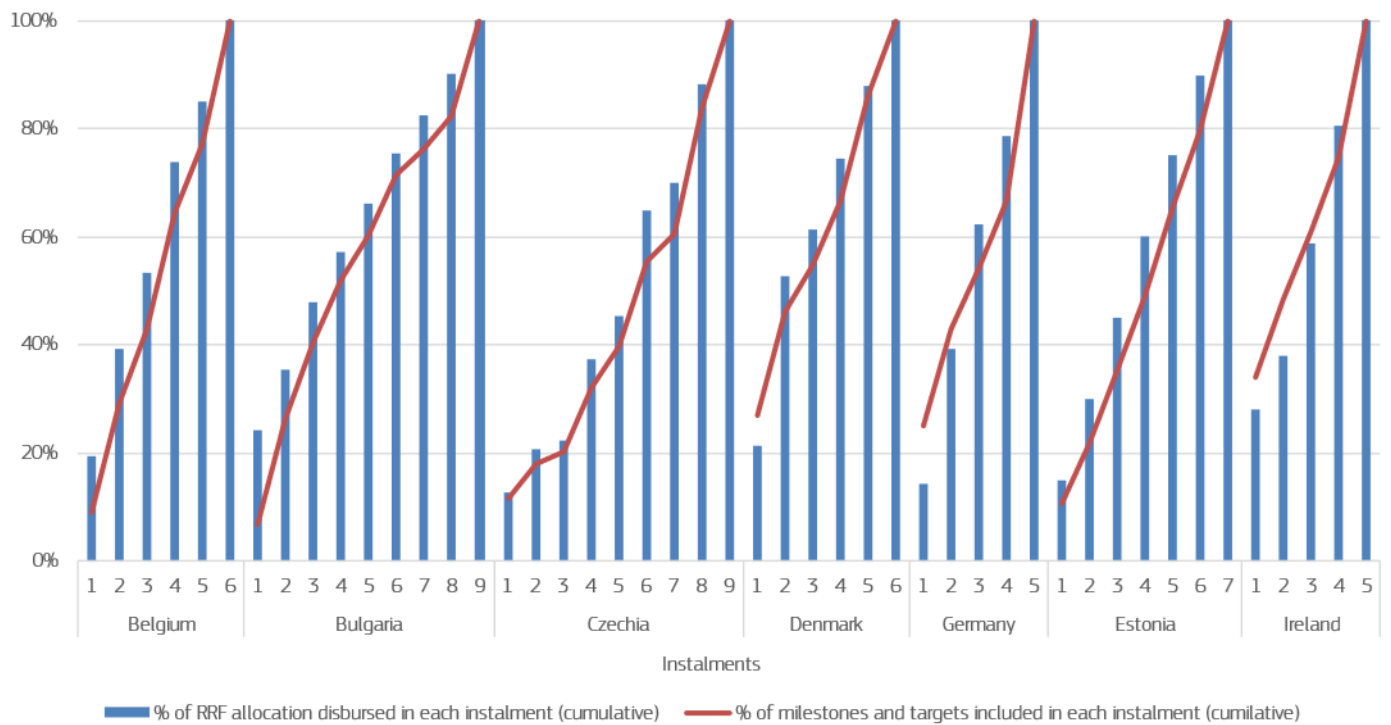
**Figure 2 below shows the current payment profiles for the grant component of each RRF.** They depict the cumulative share of each instalment's gross amount as a percentage of the total grant allocation and the cumulative share of each instalment's number of milestones and targets out of the total number of milestones and targets in the grant component. There is no linear relation between the number of milestones and targets in a given instalment and the size of the related disbursement since payment profiles are set in line with the set of principles mentioned above.

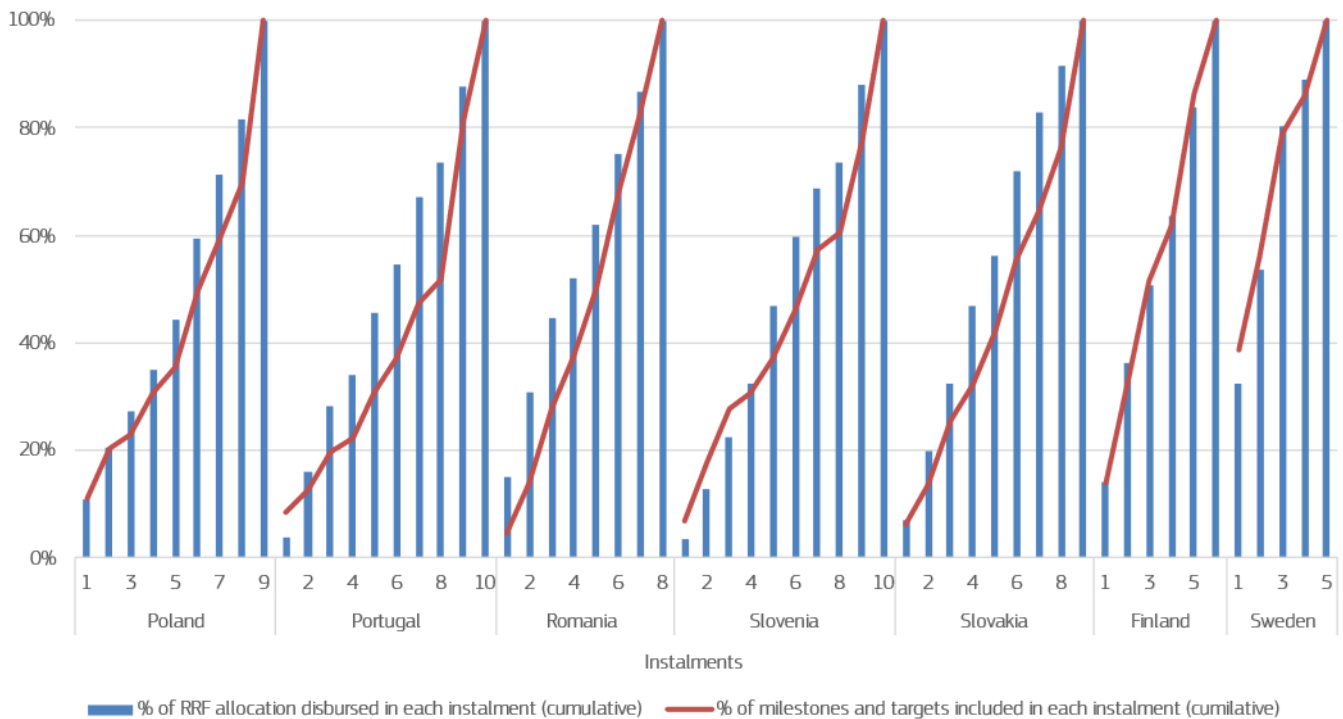
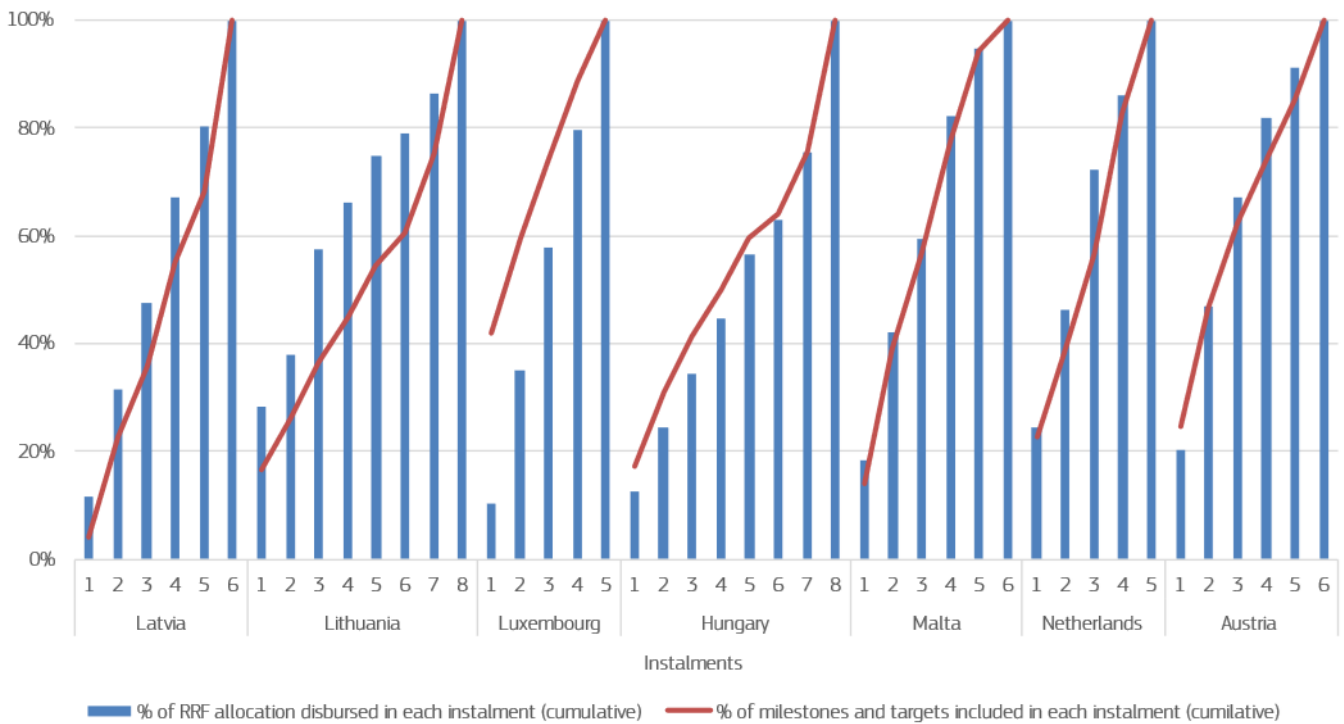
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<sup>19</sup> The analysis in this section answers a recommendation by the European Parliament made in the context of the 2021 discharge procedure.



Figure 2: Percentage of non-repayable support (cumulative) and of milestones and targets included in each instalment, per Member States.





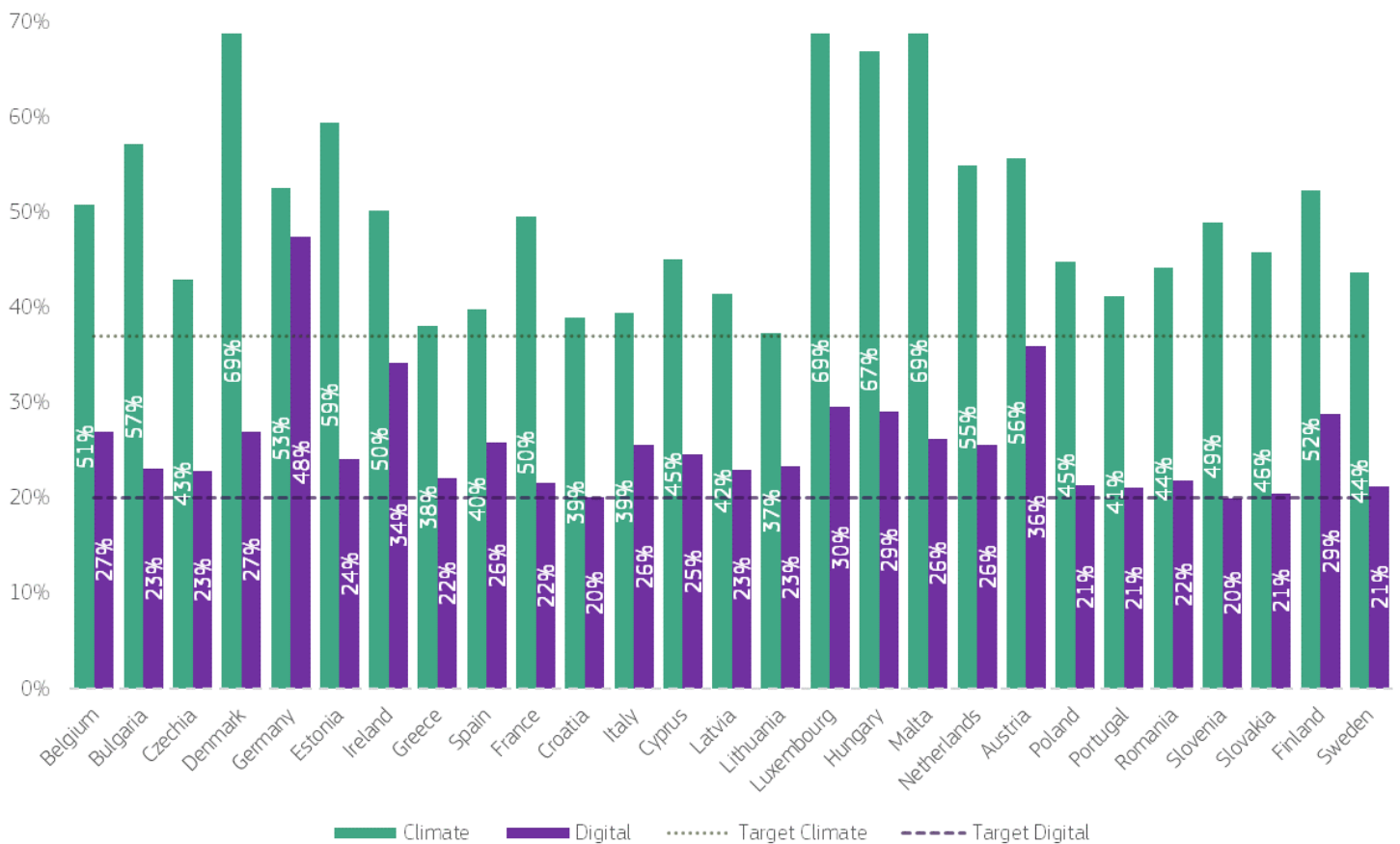
**Note:** There is no linear relation between the number of milestones and targets in a given instalment and the size of the related disbursement. This is because payment profiles were established as the reflection of several factors, including national financing needs and budgetary planning, the proportion of milestones and targets in each instalment, and their relative importance.

**Source:** European Commission

*The RRF climate and digital targets continue to be met by revised RRFs*

**Following the revisions of RRFs adopted, all Member States continue to dedicate at least 37% of their RRF allocation to measures contributing to climate objectives and at least 20% to digital objectives (see Figure 3).** For the RRF as a whole, estimated climate expenditure increased, and amounted to 42.5% of the RRF allocation by the end of August (the cut-off date), while estimated digital expenditure amounted to 26%, thus above both targets set in the Regulation.

*Figure 3: Share of RRFs estimated total allocation supporting climate and digital objectives, following revision of RRFs*



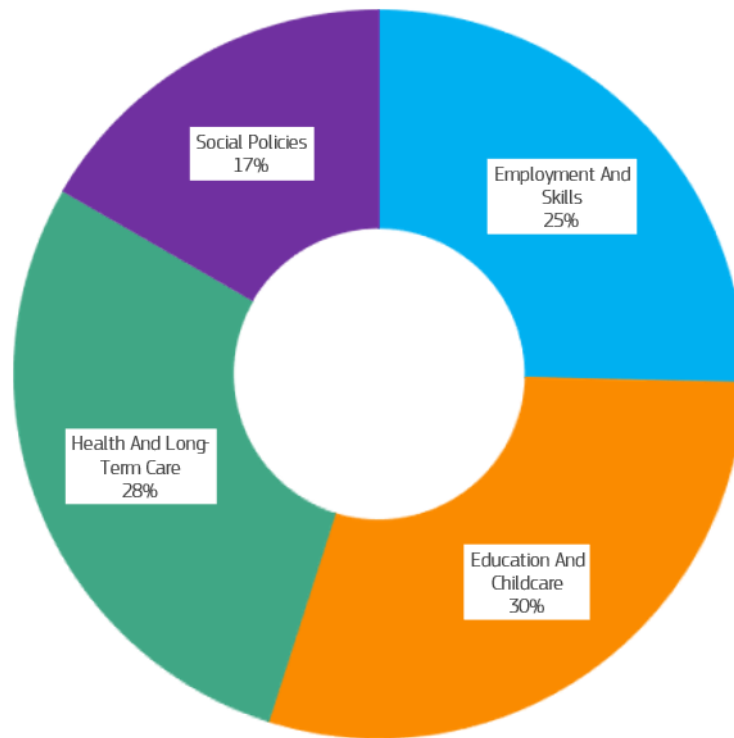
**Note:** The RRFs had to specify and justify to what extent each measure contributes fully (100%) to, partly (40%) to or has no impact (0%) on the climate and/or digital objectives. The contributions to climate and digital objectives have been calculated using Annexes VI and VII of the RRF Regulation, 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

### *Revised RRFs contribute to social policies and gender equality across the EU*

**The revised RRFs continue to foster upward social convergence.** An estimated total amount of around EUR 162.3 billion across RRFs contributes to social policy measures<sup>20</sup>, which represents about 25% of the estimated total expenditure. Following the revisions of RRFs, almost 30% of the estimated social expenditure is dedicated to investments and reforms in education & childcare (down by 4 percentage points) and to health & long-term care (down by 5 percentage points), respectively, whilst 25% is dedicated to employment and skills (up by 6 percentage points) and the rest to social policies (up by 3 percentage points) (Figure 4). Member States RRFs now include 423 (sub-)measures with a focus on children and youth, spread over several policy areas, including education at all levels, employment support, and housing.

*Figure 4: Share of RRF estimated social expenditure per social category*



**Note:** This graph shows the breakdown of estimated social expenditure across all RRFs. Social categories are defined and applied based on the methodology adopted by the Commission in consultation with the European Parliament and the Member States in the Delegated Regulation (EU) 2021/2105.

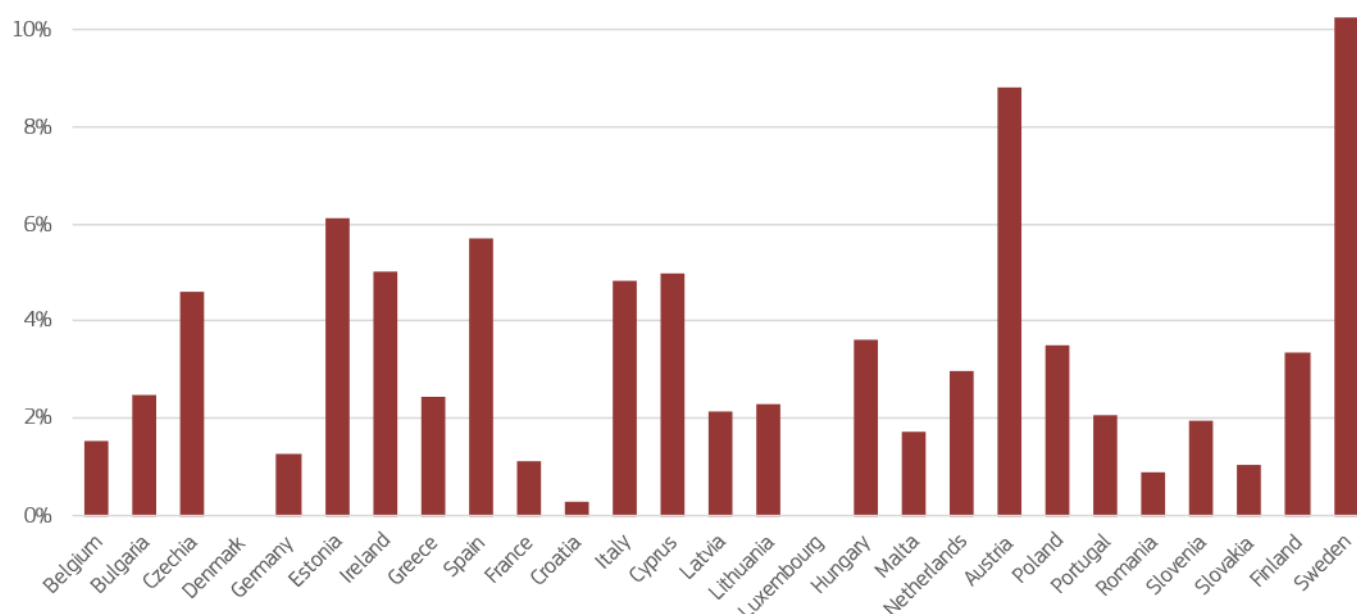
**Source:** Recovery and Resilience Scoreboard

**Member States' RRFs continue to contribute to gender equality, with all but two plans including measures that explicitly aim at contributing to gender equality.** The revised RRFs contain 136 (sub-)measures with a focus on gender equality. The breakdown

<sup>20</sup> 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](#).

of gender equality relevant measures per Member State is provided in Figure 5. In addition to the 1367 (sub-)measures explicitly contributing to gender equality, Member States continue to include other reforms and investments in their plans whose implementation can significantly contribute to these dimensions. This includes, for example, reforms and investments in infrastructure, public transport or digital connectivity. Such measures may have a positive impact in terms of access to remote education, essential (health) services and utilities, or allowing people with limited mobility or living in remote areas to participate in economic activities and social life.

Figure 5: Percentage of RRP measures with a focus on gender equality



Source: Recovery and Resilience Scoreboard

## C. Final recipients under the RRF

### *All Member States publish data on the 100 largest final recipients*

**In early 2023, transparency as regards the use of RRF funds was enhanced when the RRF Regulation was amended, in the context of REPowerEU, to require Member States to disclose information on the largest final recipients under their RRFs.**

According to Article 25a of the RRF Regulation, Member States must create a publicly accessible portal compiling data on the 100 final recipients receiving the highest amount of funding for the implementation of measures under the Facility and update the data twice a year<sup>21</sup>. In the context of the RRF, final recipients refer to the last entities receiving funds for the implementation of an RRF measure which are not contractors or sub-contractors, such

<sup>21</sup> The Regulation also specifies what information should be published by the Member States, namely the full name of the recipient, the VAT or tax identification number (or a different unique identifier) in case of a legal person, the amount received and the associated measures for which the recipient has received funding.

as citizens, businesses, regional or local authorities. They can therefore be legal or natural persons<sup>22</sup>. In line with the Regulation's requirements, the Commission centralises and publishes the data alongside links to Member States' national portals on the Recovery and Resilience Scoreboard<sup>23</sup>.

**To ensure consistency and comparability of the data, the Commission has provided guidance to the Member States.** The Commission has discussed the reporting on final recipients with Member States in various meetings of the informal RRF expert group, underlining its importance for enhancing transparency. In this regard, and also following up on a request from the European Parliament<sup>24</sup>, annex V to this report consolidates this guidance and further clarifies the concept of final recipient under the RRF Regulation and the scope of the publication of data on the 100 largest final recipients under the RRF.

**All 27 Member States have created a publicly available portal with data on the 100 largest final recipients.** Already in 2023, all Member States had provided a first set of data on the 100 largest final recipients, and most also provided an update later in the year. The Commission expects all Member States to adhere to the bi-annual reporting deadline going forward and will closely monitor that Member States comply with their obligation to update the data twice per year. In 2024, almost all Member States have already provided a first update of their data, and the Commission expects the second update of the data in October.

**Most Member States have provided a full list of data on the 100 largest final recipients under their RRFs, while a few have provided lists containing fewer than 100 final recipients,** namely Bulgaria (19), Estonia (98), Hungary (99), Lithuania (71), Malta (31) and Romania (98). In some cases, this can be linked to the state of implementation of the respective RRFs of the Member States concerned, where the roll-out of measures is being prepared but funds have not yet reached the final recipients. The RRF Regulation also includes exemptions<sup>25</sup> from the obligation to publish data, in line with the provisions of the Financial Regulation, which may in some cases be relevant for the reporting on the largest final recipients.

**The data on the largest final recipients in each Member State can provide valuable insights,** allowing for increased transparency on the distribution of RRF funding. The data supplements the existing data on RRFs implementation, such as the fulfilled milestones and

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<sup>22</sup> This is in line with the RRF Regulation, where Article 22(2)(d) mentions final recipients as separate entities from contractors and sub-contractors, thus ensuring a consistent interpretation application of the term throughout the RRF Regulation.

<sup>23</sup> [https://ec.europa.eu/economy\\_finance/recovery-and-resilience-scoreboard/disbursements.html?table=finalRecipientByCountry](https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/disbursements.html?table=finalRecipientByCountry)

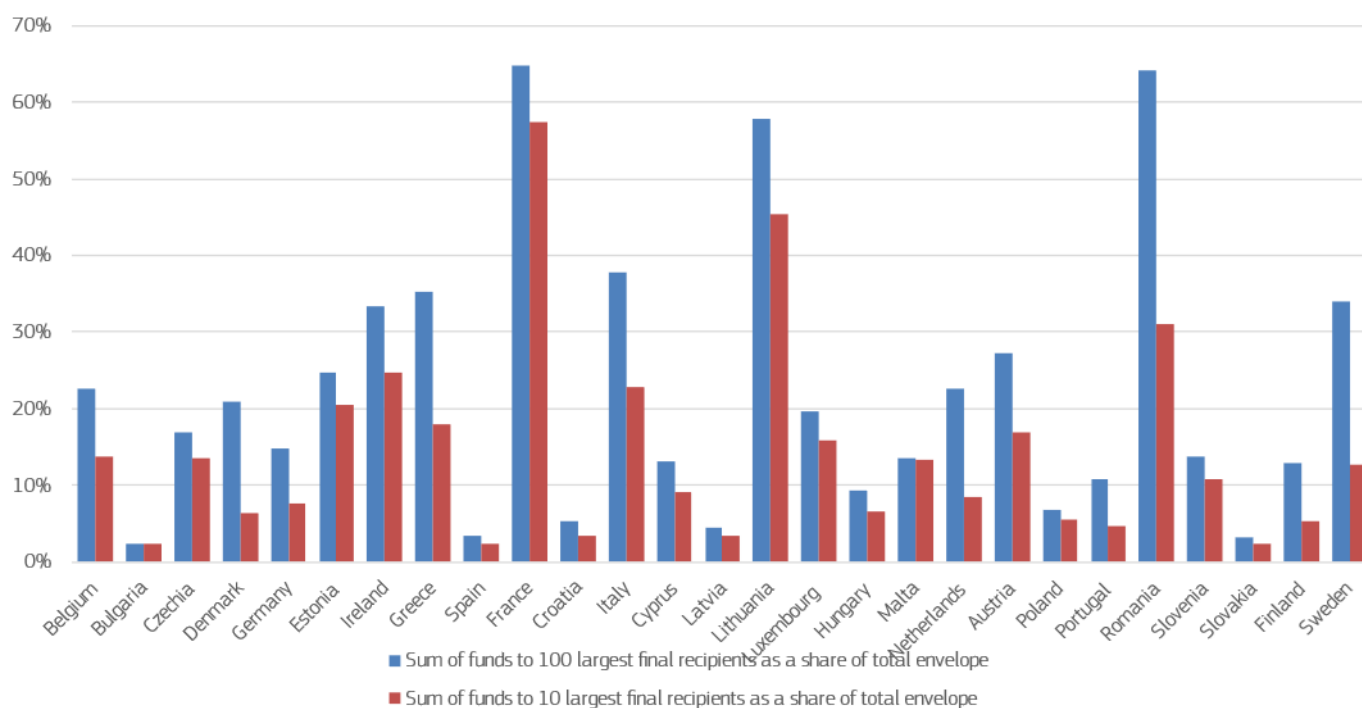
<sup>24</sup> European Parliament decision of 11 April 2024 on the closure of the accounts of the general budget of the European Union for the financial year 2022, Section III – Commission, §286(xiii).

<sup>25</sup> These exemptions include the following four cases: (i) education supports paid to natural persons and any other direct support paid to natural persons most in need, (ii) very low value contracts below EUR 15 000, (iii) financial support provided through financial instruments for an amount lower than EUR 500 000, and (iv) where disclosure risks threatening the rights and freedoms of the persons or entities concerned or harming the commercial interests of the recipients.

targets, and disbursements per pillar and feeds into the map of projects supported by the RRF.

**The amounts of funding disbursed to the largest final recipients in each Member State vary considerably**, in line with the heterogenous nature of RRFs and the differences in financial allocations. The highest amount received by a final recipient is more than EUR 22 billion, while the lowest amount received by one of the largest final recipients is EUR 5 723. The average value of funds received by the largest final recipients is almost EUR 63 million and the median value is significantly lower at EUR 4.5 million. Similarly, the sum of funds that the largest final recipients have received in each Member State so far represents different shares of their total envelopes (see Figure 6), both across Member States and when comparing the sum of funds received by the 10 largest and by the 100 largest final recipients within each Member State. On average, the total funds received by the 100 largest final recipients as a share of Member States' allocations is 22.1%, while the funds received by the 10 largest final recipients represents a share of 14.3% of Member States' allocations.

*Figure 6: Sum of funds received by the 10 and 100 largest final recipients, as a share of the Member States' total envelope*



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

**Most of the largest final recipients reported across Member States are public entities.** According to Commission estimates, 59.4% of the 100 largest final recipients across Member States are public entities and 40.7% are private entities<sup>26</sup>. The largest final recipients per Member State that are public authorities have received approximately EUR

<sup>26</sup> In line with Article 25a of the [RRF Regulation](#), Member States are not required to specify whether final recipients are public or private entities. Therefore, the figures presented here are based on the European Commission's own estimates.

94.5 billion in total, which corresponds to 15% of all committed RRF funds, and those that are private entities have received EUR 65 billion, representing a share of 10% of all committed RRF funds. Since many RRF measures are geared towards improving the provision of public goods, in areas such as health, transport or digitalisation of public administrations which generally represent costly, large-scale investment projects, public authorities are often the final recipients. Nonetheless, the RRF is also providing extensive support to the private sector and in particular to SMEs, supporting their digitalisation and the reskilling and upskilling of their employees.

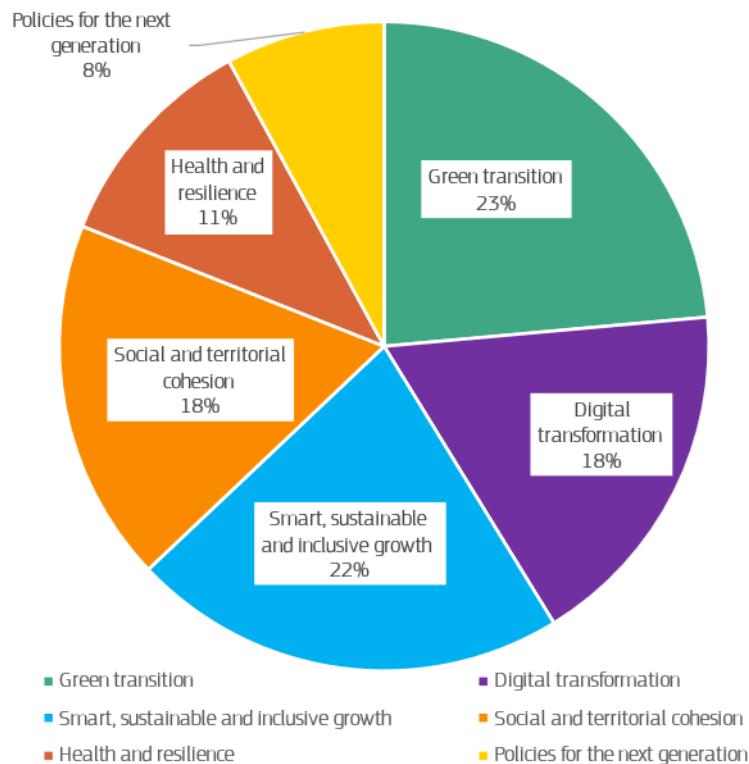
*The largest final recipients receive funding for investments across all six RRF policy pillars*

**The measures for which the 100 largest final recipients under the RRF have received funding are distributed across the six policy pillars (Figure 7).** This shows that the RRF offers comprehensive support to Member States across the most relevant policy areas. At the same time, the largest final recipients have been mostly involved in implementing measures contributing to the green transition (23%), closely followed by investments in smart, sustainable and inclusive growth (22%), the digital transformation and social and territorial cohesion (18% each). This highlights the focus on stimulating the economic and social recovery after the COVID-19 crisis, as well as preparing EU economies, societies, and public administrations for the green and digital transitions, fully in line with the overarching objectives of the Facility.

**The largest amounts received by final recipients support infrastructure projects, digitalisation, and mobility, whereas the measures most frequently supported relate to investments fostering energy efficiency.** Overall, the *largest sums* of funding that final recipients have received for the implementation of RRF measures are related to investments in territorial infrastructure and services, e-government and digital public services, and sustainable mobility. Such measures typically represent projects which are large, more expensive and take more time to implement. On the other hand, the 100 largest final recipients have *most often* received funding for the implementation of measures supporting energy efficiency. Other policy areas where final recipients have most often received funding are territorial infrastructure and services, e-government and digital public services, general, vocational, and higher education, and research, development and innovation.



Figure 7: Contribution of the amounts received and associated measures which the 100 largest final recipients receive support for towards the six policy pillars<sup>27</sup>



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 comprises two layers: controls to provide assurance on the legality and regularity of the Commission's disbursements to Member States, and controls to ensure adequate protection of the financial interests of the Union.** Regarding the legality and regularity of transactions, thorough ex-ante controls are performed before any disbursement is made to assess the satisfactory fulfilment of each milestone and target included in the payment request. Following the disbursement, the Commission also carries out risk-based ex-post audits on milestones and targets to obtain additional assurance that the information provided by the Member State was correct. Next to this, to ensure financial interests of the Union are protected, the Commission has assessed each national control system ex-ante, and has, where necessary, introduced milestones on the control systems that must be fulfilled prior to any future payment. Risk-based system audits are undertaken to check the procedures in place in Member States to prevent, detect and correct fraud, corruption, and conflict of interests, as

<sup>27</sup> These figures are based on the pillar tagging methodology developed for the Recovery and Resilience Scoreboard, whereby each measure in the RRFs is attributed to a primary and to a secondary policy area to reflect that measures can contribute to more than one policy objective. The six policy pillars are: green transition; digital transformation; smart, sustainable and inclusive growth; social and territorial cohesion; health, and economic, social and institutional resilience; policies for the next generation.

well as double-funding, and additional compliance audits are undertaken to verify the reliability of the audit work done by the national audit authorities.

*The Commission has continued to protect the financial interests of the Union*

**From 1 September 2023 to 31 August 2024, the Commission carried out 17 ex-post audits on milestones and targets<sup>28</sup>.** The choice of milestones and targets is guided by a risk assessment taking various factors into account. Based on this risk assessment<sup>29</sup>, the Commission audited in total 82 of the 748 milestones and targets included in payment requests paid out in 2023. To determine its audit sample, the Commission also considered where a milestone or target for the same measure was already audited by the Commission in the previous year and/or was already audited by the national Audit Authorities providing reasonable assurance to the Commission. By 31 August 2024, the Commission also audited 10 milestones and targets included in payment requests paid out in 2024. The Commission found no evidence that the audited milestones and targets have not been satisfactorily fulfilled. Any other discrepancies identified between the data declared and the data audited remained within the margin of 5% considered by the Commission for its assessment.

**From 1 September 2023 to 31 August 2024, the Commission carried out four system audits on the Protection of Financial Interests of the Union<sup>30</sup>.** The four audits covered three coordinating bodies and 11 implementing bodies, such as ministries, or agencies, which were selected based on a risk assessment framework. By the end of 2023, each Member State's control system had been audited at least once. In the context of these system audits and other audit work, the Commission also carried out checks on compliance with State aid and public procurement procedures, covering both the procedures in place to prevent fraud, corruption, and conflict of interests in public procurement procedures, and actual implementation of these procedures on sampled measures.

**Based on the current audit work, the Commission identified an overall positive picture, albeit with room for improvement, regarding the implementation of internal control systems across the Member States.** Good practices for some of the audited implementing bodies were identified, such as procedures in place for the detection of possible fraud, corruption, conflict of interests, and double funding, notably using data mining tools such as ARACHNE<sup>31</sup>. The Commission however also raised a range of specific concerns, which often related not to the national system overall but only to individual bodies within a Member State, such as a lack of coordination and supervision, data collection issues, incomplete anti-fraud strategies and fraud risk assessments, and needed improvements

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<sup>28</sup> These audits concern payment requests submitted by Germany, Estonia, Greece, France, Croatia, Italy, Latvia, Luxembourg, Malta, Poland, Portugal, Romania, Slovenia, and Slovakia.

<sup>29</sup> 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.

<sup>30</sup> System audits were undertaken in Belgium, Lithuania, the Netherlands, and Slovakia.

<sup>31</sup> 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, subcontractor, partners, and consortium members involved in multiple projects irrespective of their role in the various projects.

regarding the ex-ante controls. Member States have started to implement the necessary improvements stemming from these audit findings and the Commission is closely monitoring the implementation of the recommendations.

### *The RRF remains under close scrutiny by the European Court of Auditors*

**In addition to the audits carried out by the Commission itself, the RRF is scrutinised by the European Court of Auditors (‘ECA’) through audits on each individual payment as well as numerous performance audits on the RRF’s setup or specific thematic areas.** The ECA has so far audited all RRF payments made to Member States. In addition, three performance audits specifically dedicated to the RRF have been finalised as of 31 August 2024, namely on the Commission’s assessment of RRFs, the design of the Commission’s control system for the RRF, and on the framework put in place by the Commission to monitor the performance of the RRF. Another eight<sup>32</sup> ECA audits focusing on the RRF are either pending publication or expected to be finalised by end 2024 and five further audits are starting or expected to start by end 2024, such as a dedicated audit on the revised RRFs and their REPowerEU chapters. In addition, RRF-related matters are also considered in ECA Reviews and thematic special reports on specific policy areas or other programmes, such as in a recent audit on the Union’s rule of law framework<sup>33</sup>.

**As in previous years, the ECA has audited all RRF payments made in the financial year 2023, i.e. 23 RRF payment made to 17 Member States.** The ECA also specifically looked at the ex-post audits carried out by DG ECFIN and at the audit and control milestones included in RRFs. This audit work comes on top of national pre- and post-submission audits on the data included in payments requests and the Commission’s own audits. In its annual report for the financial year 2023, the ECA identifies findings with financial impact in connection with six non-repayable payments made in 2023 to Member States. Having carefully examined the ECA’s findings, the Commission considers its original assessments of ‘satisfactory fulfilment’ to be correct. It notes in its replies that the ECA’s conclusions are principally based on differences in the Commission’s and the ECA’s interpretation of the legal requirements, or differences in the qualitative judgement on either specific cases or broader RRF legal concepts. In this context, the Commission provides in annex to this Annual Report two explanatory documents. Annex II explains the Commission’s interpretation on eligibility of measures in light of the ‘retroactive’ start date foreseen by the co-legislators in Article 17(2) of the RRF Regulation. Annex III explains the application by the Commission of the eligibility clause concerning substitution of ‘recurring national budgetary expenditure’.

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<sup>32</sup> They cover inter alia the green transition and digital transformation dimensions of the RRF, the absorption of RRF funds, labour market and, separately, business environment reforms included in the RRFs, the Member States’ control systems, and the prevention of double funding between the RRF, Cohesion Policy and Connecting Europe Facility. Other performance audits and reviews may also touch on the RRF or RRF supported measures. All ECA special reports are complemented by official replies of the Commission, which are public and available on the [website of the ECA](#).

<sup>33</sup> See ECA Special report 03/2024: The rule of law in the EU – An improved framework to protect the EU’s financial interests, but risks remain

**The Commission swiftly follows up on ECA’s recommendations.** The Commission has so far received 28 RRF-related recommendations from ECA annual or special reports<sup>34</sup>. Only three have been rejected in full by the Commission, as the Commission noted that the recommendations could not be implemented in line with the legal basis and objectives of the RRF Regulation. Of the other 25 RRF recommendations received, the Commission considers that 24 have been implemented, all in time, leaving only one still to be implemented by the end of 2024. For instance, following the ECA’s recommendation, the Commission has published methodologies on the treatment of the reversal of milestone or targets, published a methodology for partial or full suspensions, improved record keeping and documentation on its payment request assessments, organised exchanges of good practice amongst Member States, and reviewed milestones and targets under revision to ensure clarity of requirements.

**Benefitting from the findings and recommendations from various audits<sup>35</sup>, the Commission has taken a dynamic approach to audit and control and has revised and further strengthened its audit and control framework for the RRF.** By way of example, the updated Guidance on recovery and resilience plans<sup>36</sup>, adopted on 19 July 2024, provides additional guidance to ensure the continued adequacy of controls to identify and avoid any risk of double funding, while facilitating synergies in the use of EU funds. To provide further transparency and clarity, Annex IV of this report summarises how the Commission interprets the concept of double funding as provided by Article 9 of the RRF Regulation, which envisages additionality of funding while allowing a combination of RRF support with other EU programmes. As part of the updated guidance, the Commission has also published a framework for reductions and recoveries, which covers all the grounds for reductions and recoveries under the RRF Regulation<sup>37</sup>. Moreover, the Commission has continued to strengthen its control framework. In the past year, it has revised the RRF control and audit strategies to reinforce ex-ante controls, to better cover potential risks related to the RRF implementation as well as to reflect its reinforced controls on the effectiveness of Member States’ internal control systems to ensure compliance with EU and national rules, strengthened cooperation between DGs on audit matters, and explicitly cover in its work potential risks of reversals.

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<sup>34</sup> See [ECA Special Report 21/2022: The Commission’s assessment of national recovery and resilience plans](#); [ECA Special Report 07/2023: Design of the Commission’s control system for the RRF](#); [ECA Special report 26/2023: The Recovery and Resilience Facility’s performance monitoring framework](#); [ECA’s Annual Report concerning the 2021 financial year](#) and [ECA’s Annual Report concerning the 2022 financial year](#).

<sup>35</sup> These auditors include the Commission’s Internal Audit Service, the European Court of Auditors, the European Council, and the European Parliament.

<sup>36</sup> See [Commission Notice – Guidance on recovery and resilience plans \(C/2024/4618\)](#).

<sup>37</sup> The RRF legal framework provides for three distinct grounds under which the Commission may engage in reductions and recoveries: (1) cases of fraud, corruption, and conflict of interests affecting the financial interests of the Union; (2) cases of serious breach of an obligation of the Financing Agreement or Loan Agreement; (3) cases where the information and justification underlying a payment request is found to be incorrect.

## E. Communication and dialogues in 2023-2024

*The European Parliament, the Council, and Member States remain continuously involved in the implementation of the RRF*

**The Commission has been closely engaging with the European Parliament and the Council since the beginning of the RRF implementation.** The Commission continues to share without delay all modified RRP submitted by Member States, as well as all preliminary assessments of payment requests, with both the European Parliament and the Council on equal terms. This ensures a transparent flow of information with a high level of engagement between the institutions throughout the implementation phase. As regards the European Parliament, the Commission is holding regular exchanges to discuss horizontal topics concerning the RRF.

**Since the creation of the RRF, the Commission has been invited to, and participated in, 16 high-level Recovery and Resilience Dialogues<sup>38</sup> with the European Parliament.** Moreover, the Commission engages regularly with the Members of the European Parliament in the standing Working Group of the joint ECON-BUDG Committees and participated overall in 35 meetings. In addition, the Commission is invited on a regular basis to various other committees to exchange views on matters related to the RRF, including the REGI, CONT and ENVI committees. The Commission continues to publish all presentations delivered in the context of the standing Working Group, on a dedicated website<sup>39</sup> and looks forward to working with the newly elected European Parliament.

**The Commission has also maintained its informal expert group to exchange with Member States on the implementation of the RRF and is frequently organising exchanges of views and good practices.** This group is an important forum to discuss among Member States' experts and the Commission cross-cutting aspects on the RRF. The Commission publishes all relevant documents, such as agendas, minutes, and others, on a dedicated website<sup>40</sup>. To date, the Commission has organised 28 meetings of the informal RRF expert group, including two in-person 'matchmaking' workshops organised in Brussels where Member States met to share their experience and discuss common challenges. The first workshop was organised on 28 November 2023 and covered governance and administrative capacity. The second workshop was organised on 4 July 2024 and focused specifically on the Member States' application of the Do-No-Significant-Harm principle.

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<sup>38</sup> The 16<sup>th</sup> Recovery and Resilience Dialogue took place on 16 September 2024, i.e. after this annual report's cut-off date.

<sup>39</sup> [Information provided to the European Parliament or to the Council on the Recovery and Resilience Plans](#).

<sup>40</sup> [Register of Commission Expert Groups and Other Similar Entities Commission. Informal expert group on the implementation of the Recovery and Resilience Facility \(E03772\)](#).

*The visibility of the EU in the implementation of RRFs could be further enhanced*

**As for other Union funds, Member States are under an obligation to ensure that the recipients of Union funding under the RRF acknowledge the origin and ensure the visibility of the funding.** Despite these communication and visibility obligations, the results of a 2022 Eurobarometer survey<sup>41</sup> show that, while there is a good knowledge among EU citizens of the existence of the RRFs for their countries (with differences across Member States), there is insufficient awareness that the RRFs are funded (fully or in part) by the EU. This shows the need for Member States to step up their efforts. At the same time, more than half of Europeans (55%, +2 percentage points since autumn 2023) think that NextGenerationEU can be effective in responding to the current economic challenges<sup>42</sup>.

**In this context, the European Commission organised two events in Brussels during 2024 to reflect on the achievements of the RRF so far and to boost communication around them.** First, on 9 April 2024, the European Commission and the Belgian Presidency of the Council of the European Union organised an event to mark the publication of the mid-term evaluation of the RRF. The event was also an opportunity to look ahead at the remaining challenges and how to ensure that the RRF achieves its objectives in the remaining three years. On 12 April 2024, during the European Youth Week organised every two years to promote youth engagement, a session was held on the positive impact of the RRF on young people. The session focused on the experiences of eight young participants from across the EU who benefited from the RRF measures in different ways.



<sup>41</sup> [Flash Eurobarometer 515: EU Recovery Plan 'NextGenerationEU'](#)

<sup>42</sup> [Standard Eurobarometer 101 - Spring 2024 - May 2024 - - Eurobarometer survey \(europa.eu\)](#)



**Compliance with the communication requirements is also systematically part of the ex-post audits of milestones and targets carried out by the Commission.** In this context, the Commission also continues to provide support to Member States in their implementation of the communication strategies included in the RRFs. Eight Member States are currently participating in a multi-country Technical Support Instruments<sup>43</sup> project on building capacities for effective communication of the benefits of the RRFs.

*The interactive map provides a visual overview of projects supported by the RRF*

With the aim of further increasing the visibility and transparency of the RRF, **the Commission regularly updates the interactive map of projects supported by the RRF** in each Member State<sup>44</sup>.

Launched in March 2023, the map provides an overview of selected reforms and investments, points to their geographical location and offers information on their state of play. It also includes links to online resources providing more detailed information, such as national RRF websites and, where available, the websites of the specific RRF-funded projects.

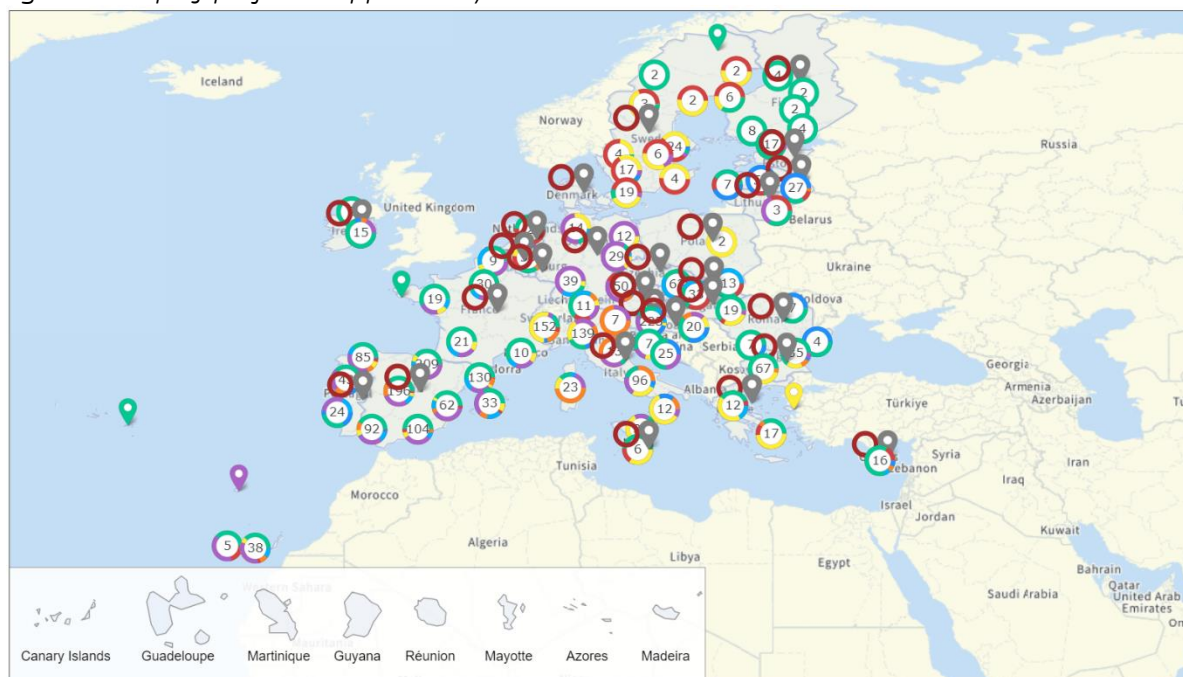
So far, **over 1 800 projects across all Member States have been added to the map.**

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<sup>43</sup> The Technical Support Instrument (TSI) is the EU programme that provides tailor-made technical expertise to EU Member States to design and implement reforms. For further information, please see [https://commission.europa.eu/funding-tenders/find-funding/eu-funding-programmes/technical-support-instrument/technical-support-instrument-tsi\\_en](https://commission.europa.eu/funding-tenders/find-funding/eu-funding-programmes/technical-support-instrument/technical-support-instrument-tsi_en).

<sup>44</sup> See [https://commission.europa.eu/business-economy-euro/economic-recovery/recovery-and-resilience-facility\\_en#map](https://commission.europa.eu/business-economy-euro/economic-recovery/recovery-and-resilience-facility_en#map).

Figure 8: Map of projects supported by the RRF



Source: Recovery and Resilience Scoreboard

### *Member States continue to hold RRF annual events*

Annual events bring together national authorities' and Commission representatives, stakeholders (including social partners and civil society representatives) and recipients of RRF support, among others, to discuss the progress in implementing the various projects proposed by Member States in their national RRFs.

**By August 2024, 33 annual events had taken place in 24 Member States.** During the reporting period (1 September 2023 to 31 August 2024), 14 annual events took place. The well-established cooperation between European Semester Officers in the Commission Representations and national administrations contribute to the success of these events. They provide excellent opportunities to broaden the audience beyond the regular RRF stakeholders and provide a much wider outreach.

#### **Example of an RRF annual event**

On 14 March 2024, the Annual Event on Spain's RRF brought together key stakeholders, including representatives from the European Commission, the Spanish government, regional and local authorities, and various partners such as project beneficiaries, academia, social organisations, and NGOs. The event featured three thematic panels that explored Spain's efforts to accelerate the green transition, enhance competitiveness, and address the challenges of implementing the revised RRF.





*The Commission undertakes additional relevant communication activities*

**Communicating on the benefits of the national RRFs is also a core communication task of all the Representations of the European Commission to the Member States.**

Apart from the annual events, numerous other outreach activities are carried out in close cooperation with European Semester Officers and other teams within the Representations. Four pilot localised campaigns took place in Austria, Croatia, Czechia and Slovenia, and other Member States will follow.

**The Commission has also been communicating extensively on the implementation of the RRF with the press, ever since the RRF's inception.** The Commission regularly reaches out to national correspondents and specialised journalists to ensure a wide coverage and broad understanding by the general public of the main issues pertaining to the RRF and its implementation on the ground, issuing over 200 press releases and press materials and organising numerous press conferences and technical briefings both in Brussels and in Member States, with the support of the Commission's Representations.

## F. Key findings from the mid-term evaluation of the RRF

*Its mid-term evaluation showed that the RRF has supported the recovery and brought innovation in EU spending*

**The mid-term evaluation of the RRF was published on 21 February 2024, in accordance with Article 32 of the RRF Regulation, and assesses how the RRF is delivering against its objectives, based on the evidence available at the time.** The evaluation acknowledges that it comes too early to assess the full economic impact of the instrument. It looks at what has worked well and what could be improved and identifies key lessons learnt, which can help inform reflections on possible future performance-based funding instruments. A more comprehensive assessment of the Facility's impact will be included in the ex-post evaluation of the RRF, to be published in 2028.

**The mid-term evaluation covers the evaluation requirements set out in Article 32(2) of the RRF Regulation and the five evaluation criteria set out in the European Commission's Better Regulation Guidelines and the Inter-institutional Agreement on Better Law-Making<sup>45</sup>.** The scope includes the design of the RRFs and the implementation of the Facility in all Member States until 1 February 2024. The assessment benefitted from an independent external report prepared by a consortium of researchers<sup>46</sup>, which provided an objective assessment of progress. This was supplemented by data held by the European Commission and available on the Recovery and Resilience Scoreboard<sup>47</sup>, by official reports from Member States and from other EU institutions, as well as by feedback from various stakeholders, including regional and local authorities.

**The mid-term evaluation shows that the RRF has paved the way for the EU's economic recovery following the pandemic.** The announcement of the RRF contributed to the narrowing of sovereign bond spreads, and public investment was maintained in the aftermath of the COVID-19 crisis, increasing from 3.0% in 2019 to 3.5% in 2023. Around half of the expected increase in public investment between 2019 and 2025 is related to investment financed by the EU budget, particularly by the RRF. Commission modelling suggests that NextGenerationEU has the potential to increase EU real GDP by up to 1.4% in 2026 above a no-NextGenerationEU scenario<sup>48</sup>. The model simulations also suggest a sizeable, short-run increase in EU employment (by up to 0.8%).

**The mid-term evaluation illustrates that the RRF plays a key role in supporting structural reforms and common EU policy priorities.** RRF-supported structural reforms

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<sup>45</sup> European Commission Better Regulation Guidelines (2021), available at: [https://commission.europa.eu/system/files/2021-11/swd2021\\_305\\_en.pdf](https://commission.europa.eu/system/files/2021-11/swd2021_305_en.pdf).

<sup>46</sup> The consortium comprised of CEPS, ECORYS, NIESR, CSIL and Wavestone.

<sup>47</sup> [https://ec.europa.eu/economy\\_finance/recovery-and-resilience-scoreboard/index.html](https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/index.html)

<sup>48</sup> The simulations results depend on the assumptions made regarding productivity and additionality of the financed investment projects; however, they do not take into account the impact of reforms, which have the potential to further increase European growth in the long term.

and investments have fostered progress on common policy priorities, notably regarding the green and digital transitions and socio-economic convergence. Whilst it is too early to assess the full impact of the Facility, the evaluation includes telling examples of reforms and investments supported by the RRF. Examples include improvements of the functioning of public administrations as well as the effectiveness of judicial systems, to energy efficiency, to digital public services, to sustainable transport, to education and training, to research and innovation, to social protection, and to access to the labour market.

**The RRF mid-term evaluation highlighted the added value of the performance-based approach and of providing financial support to incentivise structural reforms.** The evaluation notes that the performance-based approach of the RRF is instrumental in enhancing the effectiveness of the Facility: disbursements upon the delivery of concrete outputs (i.e. milestones and targets) are fast. Combining reforms and investments in one funding instrument creates synergies between them, whilst the integration of a comprehensive reform and investment agenda into a single RRP supports the plans' internal coherence. One of the most notable successes of the RRF is its proven ability to incentivise the implementation of structural reforms, including reforms recommended in the context of the European Semester. In the two years preceding the RRF, the share of 2016-2017 CSRs reaching at least 'some progress' increased by only six percentage points from 53% in 2018 to 59% in 2020. In comparison, the share of 2019-2020 CSRs reaching at least 'some progress' increased by 17 percentage points from 52% in 2021 before the implementation of the RRF to almost 69% in 2023.

*The evaluation includes useful considerations for future performance-based instruments*

**The RRF created entry costs for Member States administrations, with room for further simplification.** Concerning the design of the instrument, in the mid-term evaluation Member States refer to the combined obligations linked to (i) the evidence needed to prove fulfilment of milestones and targets, (ii) demanding reporting requirements, for example the common indicators and the bi-annual data; and (iii) the audit and control framework. The audit and control framework enshrined in the RRF Regulation is perceived as complex, particularly given the perceived overlap between controls and audits by national authorities, the Commission and the ECA. Member States see room for simplifying control and audit procedures, ensuring better coordination among the actors involved and avoiding multiple checks. Finally, some national authorities also pointed to inflexibility in the Commission's assessment of milestones and targets and the rigid and resource-intensive procedures to revise RRFs.

**Member States' administrative capacity is key to the successful implementation of their RRFs.** Many Member States did not sufficiently strengthen administrative capacity, including at local and regional levels, as pointed out for example by the Committee of the Regions. This has hampered Member States' capacity to implement their plans. Moreover, political consensus on the implementation of key reforms, for example linked to country-

specific recommendations or to audit and control milestones, is key. The main delays in the implementation of RRP appear where Member States' administrative capacity is limited and/or where Member States have not (yet) been able to fulfil crucial reform milestones.

**The involvement of regional and local authorities, social partners, civil society organisations and other relevant stakeholders is a key factor in the planning and implementation of RRP measures.** While the RRF Regulation requires Member States to include information on the consultations conducted when drafting their RRP, the level and form of involvement of these stakeholders depends on national legal frameworks and can differ significantly from one Member States to another. Alongside national authorities, who take on the main coordination and oversight role, local and regional authorities, as well as social partners, civil society organisations and other stakeholders, also have a crucial role to play. In the mid-term evaluation, local and regional authorities, social partners and civil society pointed to their insufficient involvement by Member States in the preparation and implementation of the RRP. While this may be partly explained with the need for speed in designing RRP in a crisis context, it is key that, going forward, their close involvement supports ownership and implementation on the ground.

**In reaction to the insights from the RRF mid-term evaluation, the Council adopted Conclusion and the Commission updated its guidance.** On 12 April 2024, the ECOFIN adopted Council Conclusions on the RRF mid-term evaluation<sup>49</sup>, which pointed to the higher-than-expected administrative burden related to the implementation of the RRF, both for the Commission and Member States. The Council invited the Commission and Member States to identify ways to streamline and improve the implementation of RRP, whilst ensuring the protection of the EU's financial interests. In this spirit, the Commission examined ways to simplify the implementation of the RRF within the framework of the current legislation. On 19 July 2024, the Commission adopted its updated guidance on RRP<sup>50</sup>, which introduces several simplification elements regarding the implementation of the RRF. In particular, the updated Guidance:

- provides more clarity on the possibility to amend an RRP under Article 21 of the RRF Regulation, where a Member State identifies a better alternative to implement a measure in a way that reduces the administrative burden linked to the implementation of that measure and without lowering the ambition of the plan;
- defines more clearly the scope for other changes that can be made to an RRP under Article 21 of the RRF Regulation;
- explains the circumstances under which operational arrangements may not need to be revised following the amendment of an RRP, to reduce the administrative burden linked to such revisions; and

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<sup>49</sup> Available at: <https://data.consilium.europa.eu/doc/document/ST-8868-2024-INIT/en/pdf>.

<sup>50</sup> Available at: [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:C\\_202404618](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:C_202404618).

- provides greater clarity regarding the conditions under which a pro-rata combination of support from the RRF and other EU funds is possible while avoiding double funding.

In parallel, the Commission also simplified Member States' reporting requirements to the extent possible under the RRF Regulation, by reducing the information requested in the context of the bi-annual reporting on the implementation of the RRFs and enabling Member States to delete their Annex II<sup>51</sup> from the operational arrangements.

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<sup>51</sup> Annex II lists monitoring steps: these are additional non-binding steps where national administrations have to provide additional information on the implementation of the relevant measures. As these monitoring steps are non-binding and not mandatory under the RRF Regulation, the inclusion of Annex II in the operational agreement is optional.

## 2. Progress in implementing the Recovery and Resilience Facility

### A. Common indicators

*The RRF has achieved significant real outcomes on the ground*

**The Common Indicators show the progress in the implementation of the RRFs towards the achievement of the general and specific objectives and the overall performance of the RRF<sup>52</sup>.** The data is reported by the Member States twice per year and covers 14 indicators<sup>53</sup>. While Common Indicators reflect concrete performance outputs stemming from the RRF measures, they are not the only tool for tracking progress in the implementation of the RRF. The Common Indicators are reported in addition to progress on over 6000 milestones and targets featured in the bi-annual reporting by Member States.

**The RRF has contributed to considerable outputs and results across the 14 different indicators.** To date, the data of five reporting rounds have been reviewed and published on the Recovery and Resilience Scoreboard<sup>54</sup>, covering the progress achieved in the period from February 2020 to December 2023. Figure 9 shows the current state of play on the common indicators, reflecting important achievements towards the objectives of the Facility and the EU's key priorities.

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<sup>52</sup> As analysed in detail in the mid-term evaluation, methodological caveats apply 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.

<sup>53</sup> 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 Commissions checks are limited to overall plausibility and comparability of the data.

<sup>54</sup> [https://ec.europa.eu/economy\\_finance/recovery-and-resilience-scoreboard/index.html](https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/index.html)

Figure 9: State of play on the common indicators

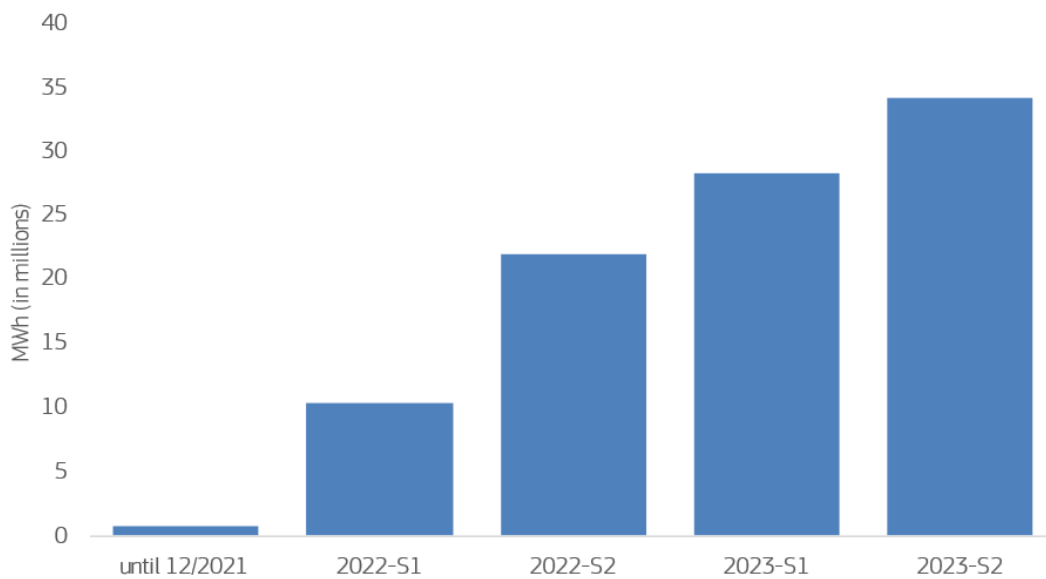


Source: Recovery and Resilience Scoreboard

By end-2023, **about 34 million Megawatt hour (‘MWh’) of savings in annual energy consumption** had been achieved thanks to support from the RRF (Figure 10). Reducing our energy consumption and increasing energy efficiency are among the EU’s top priorities and a pre-condition for the clean-energy transition. Common indicator (1) captures the reduction in annual primary energy consumption achieved with RRF support. For context, the energy savings achieved so far exceed the entire annual electricity consumption of Denmark<sup>55</sup>. Examples are reductions of energy consumption in buildings, schools, hospitals or in enterprises.

<sup>55</sup> Eurostat data on Supply, transformation and consumption of electricity in 2023, see [https://ec.europa.eu/eurostat/databrowser/view/nrq\\_cb\\_e/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/nrq_cb_e/default/table?lang=en).

Figure 10: Evolution of savings in annual primary energy consumption, in MWh

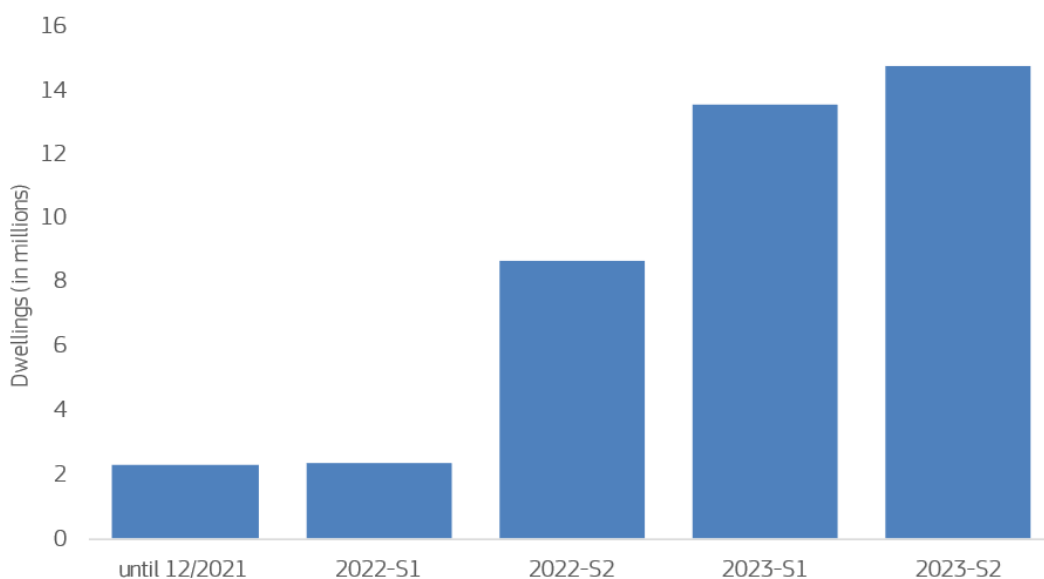


**Note:** This graph shows common indicator 2. This is a stock indicator which is cumulative and increase over time. Therefore, incremental values are reported by the Member States.

**Source:** Recovery and Resilience Scoreboard

By December 2023, **RRF support measures helped almost 15 million homes gain access to very high-capacity internet networks** (Figure 11). Common indicator (5) reflects the number of homes (dwellings) that gained access to very high-capacity internet networks through measures under the RRF, including 5G networks and gigabit speed. Homes that previously had no or slower access are counted. Access to high-speed digital infrastructure is a pre-requisite for an inclusive digital transformation and is reflected as a priority across the RRFs.

Figure 11: Evolution of additional dwellings with internet access provided via very high-capacity networks



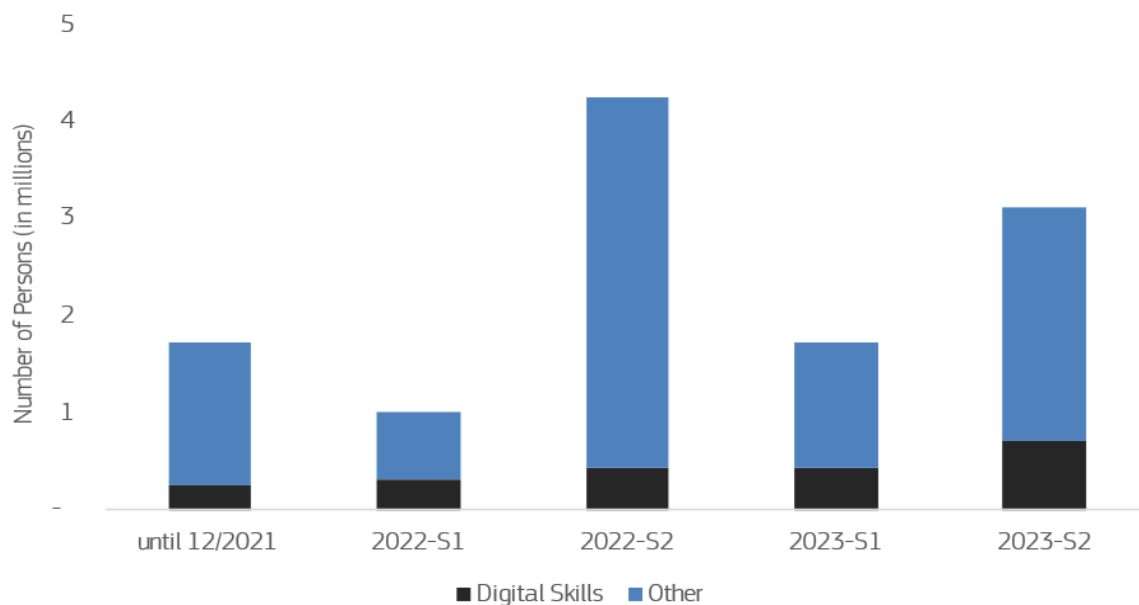
**Note:** This graph shows common indicator 5. This is a stock indicator which is cumulative and increase over time. Therefore, incremental values are reported by the Member States.

**Source:** Recovery and Resilience Scoreboard.



**In the second half of 2023 alone, over 3 million people were trained thanks to RRF support** (Figure 12). In total, the education or training of over 11.8 million people have been supported by the RRF since its inception. The COVID-19 crisis also heavily disrupted EU education and training systems, and common indicator (10) reflects the contribution of the RRF to education and training and the development of skills. Reforms and investments in education and training are crucial to prepare citizens for the green and digital transitions, and to ensure that they have the possibility to develop the skills they need. A particular focus is placed on trainings to improve digital skills, in light of their ever-growing importance in the labour market and in society.

Figure 12: Evolution in number of participants in education or training

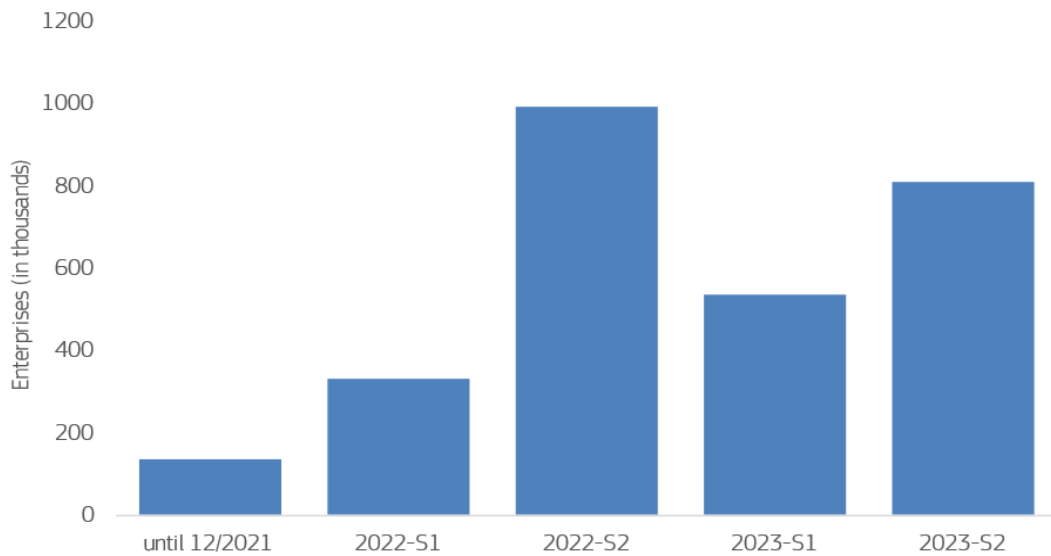


**Note:** This graph shows common indicator 10. This common indicator is a flow indicator, which relates to the performance within the given 6-months reporting period only and, therefore, might fluctuate between reporting periods.

**Source:** Recovery and Resilience Scoreboard

**The RRF helped 800 000 enterprises either through monetary or in-kind support** in the second half of 2023 (Figure 13). In total, over 2.8 million enterprises have been supported by the RRF since its inception. The COVID-19 crisis had a heavy impact on the entire EU economy and small and medium-sized enterprises (‘SMEs’) have particularly suffered. Looking at the support provided to boost EU economies and to help enterprises, common indicator (9) shows the number of enterprises supported by measures under the RRF.

Figure 13: Evolution of enterprises supported (including micro, small, medium and large)



**Note:** This graph shows common indicator 9. This common indicator is a flow indicator, which relates to the performance within the given 6-months reporting period only and, therefore, might fluctuate between reporting periods.

**Source:** Recovery and Resilience Scoreboard

**In line with the principles of gender mainstreaming and equal opportunities for all cited in the Regulation, four of the common indicators disaggregate data by gender.** According to data reported by Member States, approximately 55% of participants in education or training supported by RRF funding are women (common indicator 10). Common indicator 8 shows that approximately 40% of researchers working in supported research facilities are women. Common indicator 11 on the number of people in employment or engaged in job searching activities indicates that over 60% of those supported are women while common indicator 14 shows the number of young people receiving support from the RRF is relatively gender balanced<sup>56</sup>.

## B. Bi-annual reporting data

*Most milestones and targets are reported to be implemented in accordance with the RRFs timelines*

**85% of the milestones and targets that were due by Q1 2024 have either been assessed by the Commission as fulfilled or self-reported by Member States as**

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<sup>56</sup> Some Member States have estimated gender disaggregation as real data was challenging to collect or not collected at all.

**completed**<sup>57</sup>. Specifically, 1 419 out of the 3 171 milestones and targets that were due by Q1 2024 have been assessed as fulfilled by the Commission and an additional 1 267 have been reported as completed by Member States (Figure 14). However, another 485 milestones and targets due by Q1 2024 (or 15.3%) were reported by Member States as not completed.

Figure 14: Progress of backward-looking milestones and targets, for Q1 2020 to Q1 2024

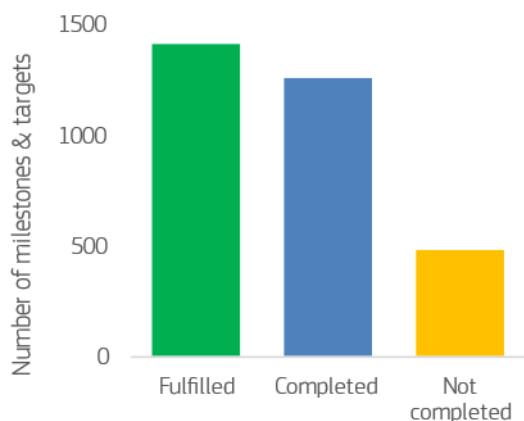
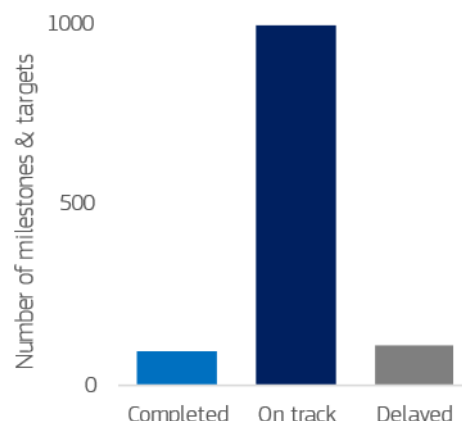


Figure 15: Progress of milestones and targets due in the future, for Q2 2024 to Q1 2025



Source: European Commission

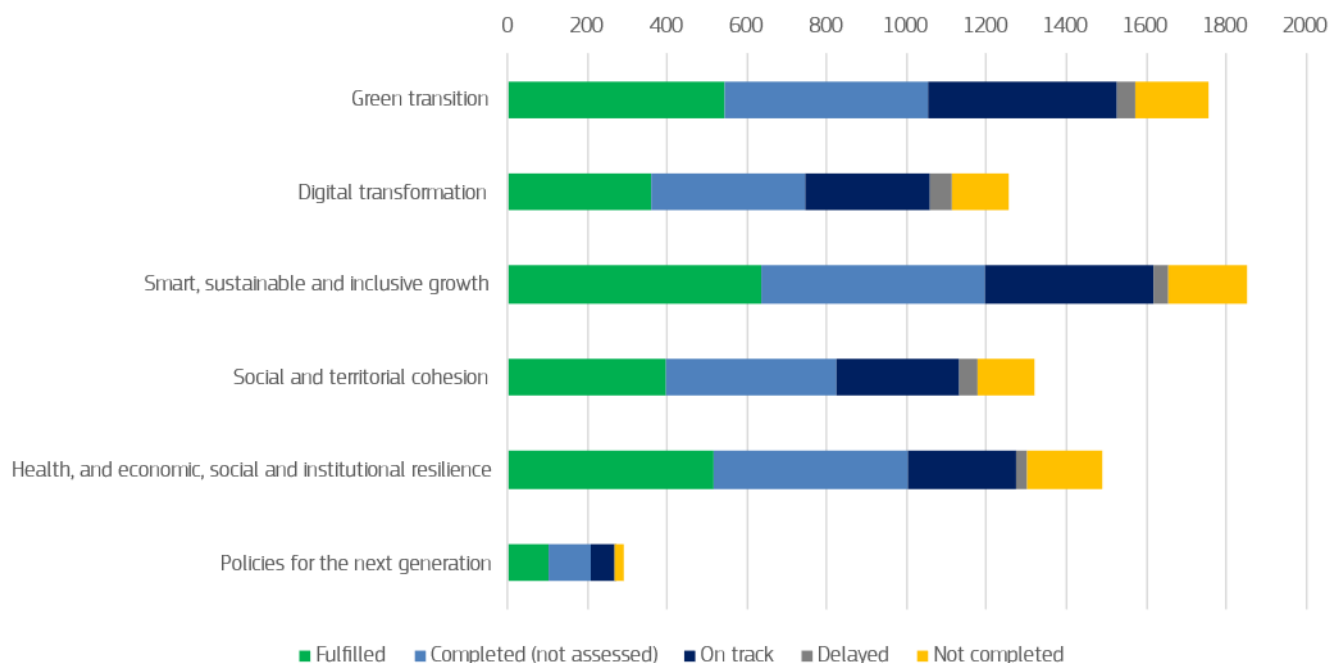
**The implementation of milestones and targets is reported to be on track for the upcoming 12 months.** Milestones and targets that are due to be completed between Q2 2024 and Q1 2025 have mostly been reported as “on track” by Member States (nearly 83%, or 996 out of 1 199 milestones and targets). Member States indicate that they have completed 93 milestones and targets (8%) ahead of the planned date and reported 110 (or 9%) as “delayed” (Figure 15). Among the reasons for the delays, Member States highlighted administrative hold-ups, the effects of delayed legislative procedures or of delays in the completion of previous necessary milestones, high inflation and supply chain disruptions’ consequences, low subscription or acceptance of projects, difficulty in implementing large and complex projects, as well as slower than expected implementation.

**The progress in the implementation of milestones and targets is steady across all six policy pillars (Figure 16).** The smart, sustainable and inclusive growth, and the green transition pillars include the most fulfilled and completed milestones and targets (1 616 and 1 527 respectively), whilst a good amount is on track to be delivered by Q1 2025. The health and economic, social and institutional resilience and the digital transformation pillars, as well

<sup>57</sup> According to the figures of the spring 2024 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’.

as the social and territorial cohesion are also well above 1 000 fulfilled, completed or on track milestones and targets.

Figure 16: Milestones and targets contributing to the six RRF Regulation pillars and their respective status up to Q1 2025



Source: European Commission

## C. Progress across the six policy pillars

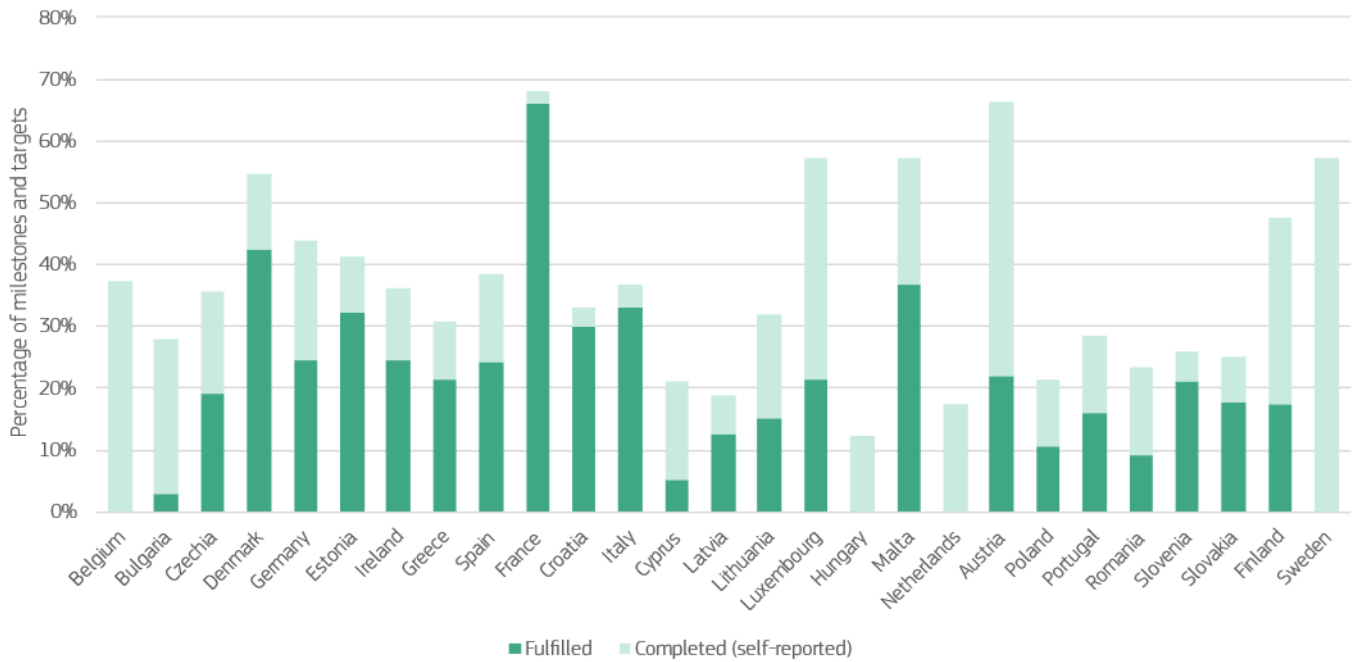
*Member States have made visible implementation progress across all six RRF policy pillars*

### Green transition

**The RRF will help achieve 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 supported by the RRF are contributing to meeting the EU’s climate ambition by promoting sustainable mobility, increasing energy efficiency and promoting 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 346 billion<sup>58</sup> – over 50 percent of Member States’ total allocation to date – has been dedicated to measures contributing to the green transition pillar.

<sup>58</sup> 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.

Figure 17: Percentage of milestones and targets contributing to the green transition assessed as fulfilled or reported as completed, per RRP



Source: European Commission

**Progress in implementing measures related to the green transition has been good overall.** Approximately a third of milestones and targets have been reported as completed or assessed as satisfactorily fulfilled by the Commission. Specifically, 1 080 of 3 214 milestones and targets related to the green transition are already reported as completed by Member States or assessed as satisfactorily fulfilled by the Commission, which corresponds to a progress rate of approximately 34% (including 19% assessed in payment requests). 355 of these milestones and targets contributing to the green transition were assessed by the Commission as fulfilled between 1 September 2023 and 31 August 2024. Whilst it is too early to assess the RRF’s full impact on the green transition as the final effects will only materialise in the longer term, the already fulfilled ‘green’ milestones and targets have helped increase momentum for the green transition. The examples provided in the box below highlight key measures with completed milestones and targets during the reporting period (1 September 2023 to 31 August 2024).

**Examples of relevant measures with fulfilled milestones and targets under the green transition pillar**

**Reforms:**

- **Spain** (i) adopted the Report on Green Budget to map green expenses in the annual budget law in line with the EU methodology and monitoring framework; (ii) approved the Forest Strategy; (iii) amended horizontal property law to facilitate building renovation works and improved access to finance; and (iv) endorsed a Rail Strategy to

set up a clear sustainable mobility-planning scenario for the railway transport mode and to align investment priorities in the sector.

- **Poland** (i) updated its National Air Protection Programme, mandating the end of public subsidies to coal-fired heat sources and introducing a series of measures and policies to effectively improve air quality; and (ii) amended the Energy Efficiency Act to facilitate the use of Energy Performance Contracts, thereby promoting energy efficiency investments in public and private projects to accelerate the replacement of polluting heat sources.
- **Finland** adopted the Act on Excise Duty on Electricity and Certain Fuels. The provision in the law of the Act's entry into force indicates a change in existing taxation of different types of energy in view of contributing to the phasing out of fossil fuels by promoting electrification of industry and encouraging investment in low-carbon technologies.

#### **Investments:**

- **Italy** (i) constructed more than 200 km of bicycle paths in metropolitan areas and cities hosting universities, which will facilitate commuting between universities, intermodal nodes and other points in metropolitan areas; (ii) improved the resilience of more than 172 km of railways in the southern railways, which includes renewal of railways line on 6 different routes; and (iii) reduced irregular landfills from 34 to 14, representing a 60% reduction, improving waste management and reducing the environmental strain.
- **Portugal** (i) installed an additional 1 730 publicly accessible recharging stations in order to effectively build upon and expand the existing network to support the use of cleaner vehicles; and (ii) signed contracts for the procurement of 257 zero-emission buses and the construction of dedicated charging infrastructure for utilisation in the Lisbon and Porto Metropolitan areas in order to decarbonise public transport.
- **Czechia** (i) completed 26 projects related to modernising railway lines, modernising railways stations with reconstructed track and safe and barrier-free accessible platforms and reduced energy intensity and increased comfort in station buildings; (ii) constructed more than 24 km of bicycle paths to facilitate soft mobility; and (iii) completed 15 projects to establish resilient flood protection, including efficient management of rainwater in urban areas, which will protect citizens against flood risks.

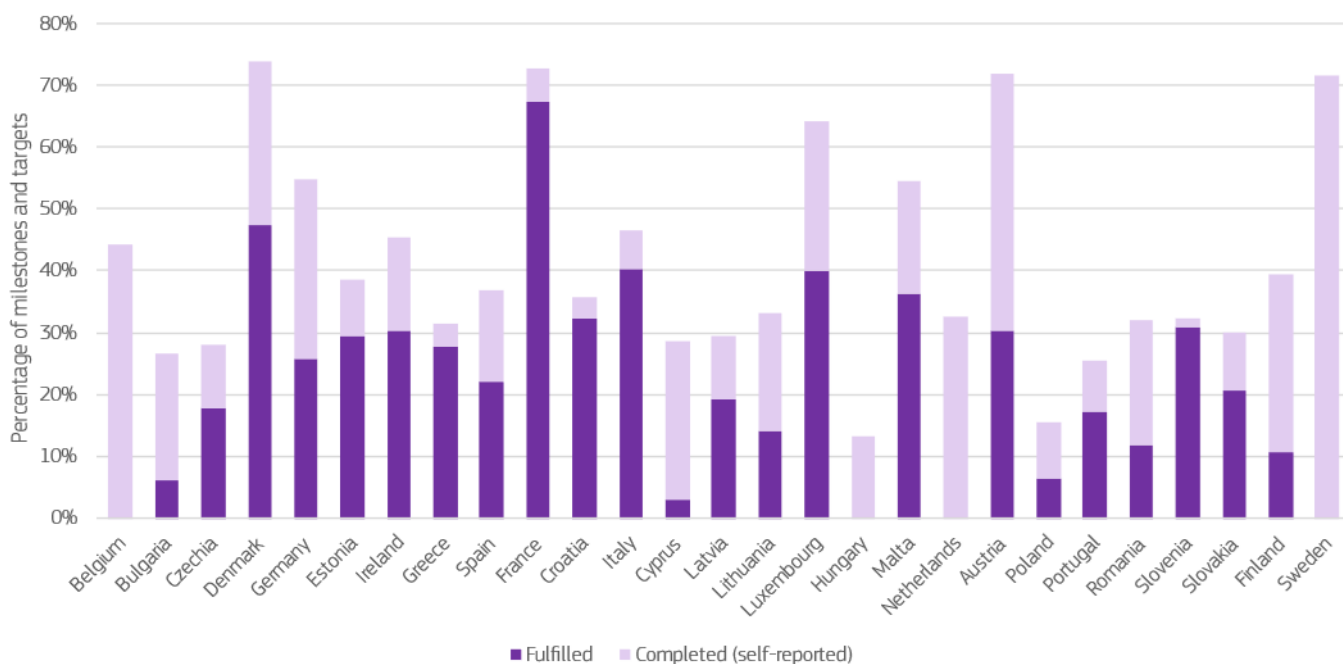
### **Digital transformation**

**The RRF provides a significant contribution to the digital transformation in the Union.** The RRFs cover a range of measures, including deployment of next generation digital infrastructures and advanced technologies, digital skills development for the general population and the workforce (through education and trainings), and support to the

digitalisation of enterprises as well as of public services. A total of EUR 166.2 billion will be allocated to support the digital transformation pillar<sup>59</sup>.

**Member States have made significant progress in implementing measures related to the digital transformation**, and over a third of related milestones and targets are reported as complete or assessed by the Commission as fulfilled. Specifically, 877 of 2 464 milestones and targets related to the digital transformation are already reported as completed by Member States or assessed as fulfilled by the Commission, which corresponds to a progress rate of 35% (including 19% assessed in payment requests). 290 of these milestones and targets contributing to the digital transformation were assessed by the Commission as fulfilled between 1 September 2023 and 31 August 2024 (reporting period). The examples provided in the box below highlight key measures with completed milestones and targets during the reporting period.

Figure 18: Percentage of milestones and targets contributing to the digital transformation assessed as fulfilled or reported as completed, per RRP



Source: European Commission

**Examples of relevant measures with fulfilled milestones and targets under the digital transformation pillar**

**Reforms:**

- The Open Government Act implemented in **the Netherlands** enhances transparency and accessibility of public administrations information. Public and semi-public

<sup>59</sup> 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.

authorities now provide more easily accessible and compatible information to citizens, the press and media, Members of Parliament and their staff.

- In **Latvia**, the Digital Health Strategy was adopted, which serves as a roadmap for the development and implementation of digital solutions in the healthcare sector that are safe and meet the needs of patients and the industry. The strategy covers such aspects as data management, use of data for research, public health sector IT systems and solutions, private IT systems, cross-border data exchange and digital skills needed for implementation and use of any new digital health solutions.

#### Investments:

- **France** has successfully launched the new sovereign digital identity application, allowing users to access it with ease. As a result, over 12.5 million new ID cards with a 'digital identity' feature were issued.
- **Czechia** has expanded access to the digital bulletin boards of regional and municipal authorities. It now requires the publication of open metadata of official bulletin boards in nearly 300 entities, including local governments and municipalities. This contributes to the improvement of the National Open Data Catalogue by publishing public administration code lists in public databases, and increasing the number of open data producers.
- At least 3 500 households and businesses in **Denmark** have gained access to high-speed internet, which they previously lacked, via the expansion of the existing broadband scheme, *Bredbåndspuljen*. This scheme has delivered high-speed internet access to rural areas of Denmark suffering from inadequate coverage due to insufficient market incentives, including islands without bridge connection.
- In **Italy**, three important targets linked to the onboarding of public administrations into eGovernment solutions were fulfilled: (i) 6 678 additional public administrations adopted the "PagoPA" digital payment system (+71% compared to 2021), (ii) 10 675 additional public administrations joined and provided services through the public services single access point, called "app IO" (+251% compared to 2021) and (iii) 1 798 Central Public Administrations and Municipalities subscribed to the "Digital notification Platform" and started sending legally-binding notices to citizens, legal entities, associations and any other public or private entities via the platform.

### **Smart, sustainable and inclusive growth**

**The RRP's contribute to smart, inclusive and sustainable growth (i.e. pillar 3) with 1 700 measures and sub-measures worth over EUR 332 billion<sup>60</sup>.** These measures cover a wide range of areas, including reforms and investments to enhance the business

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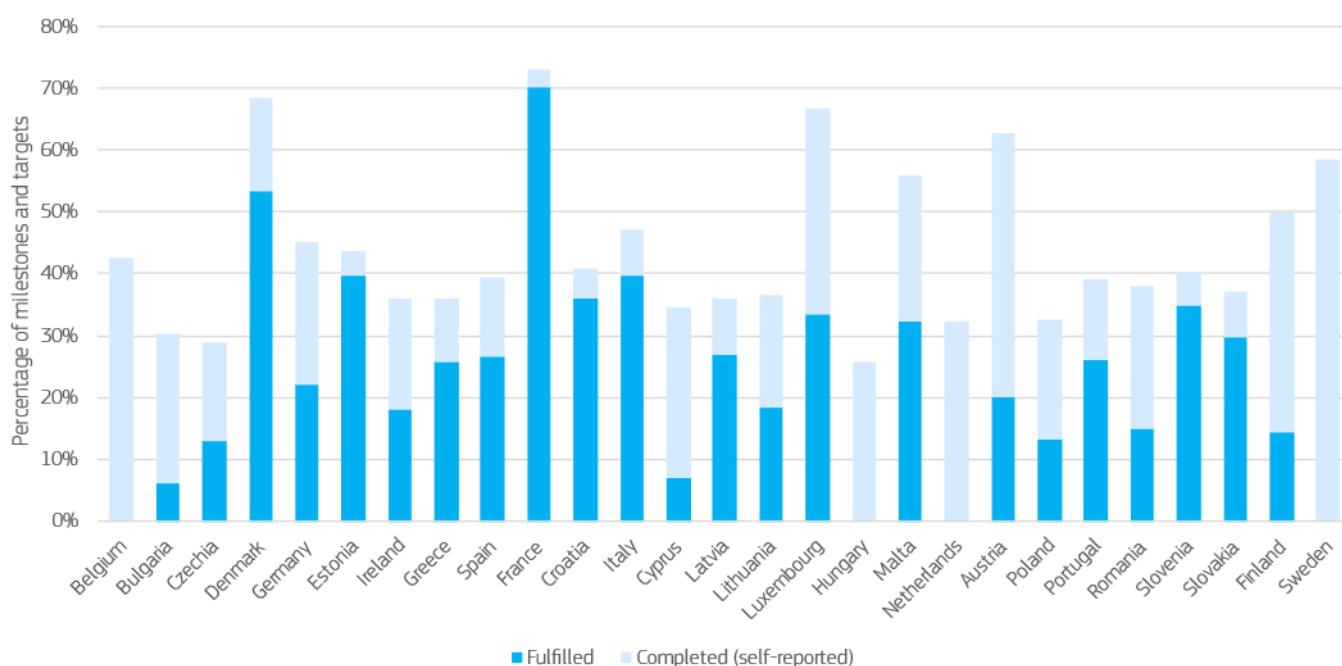
<sup>60</sup> This figure shows cost estimates based on the pillar tagging methodology for the [Recovery and Resilience Scoreboard](#) and corresponds to the measures allocated to the smart, sustainable and inclusive growth pillar as primary and/or secondary policy pillar.



environment and competitiveness, support for SMEs, research and development, innovation, and the cultural sector.

**There has been significant progress in implementing measures related to smart, sustainable and inclusive growth**, with 40% milestones and targets contributing to this RRF objective reported as completed by Member States or assessed as satisfactorily fulfilled by the Commission. 1 346 of 3 305 milestones and targets contributing to smart, sustainable, and inclusive growth are reported as completed by Member States or assessed as fulfilled by the Commission, which corresponds to a progress rate of 41% (including 23% assessed in payment requests). 420 of these milestones and targets were assessed by the Commission as fulfilled between 1 September 2023 and 31 August 2024 (reporting period). The examples provided in the box below highlight key measures with completed milestones and targets during the reporting period.

Figure 19: Percentage of milestones and targets contributing to smart, sustainable and inclusive growth assessed as fulfilled or reported as completed, per RRP



Source: European Commission

**Examples of relevant measures with fulfilled milestones and targets under smart, sustainable and inclusive growth pillar**

**Reforms:**

- **Czechia** established a certification platform for the medical devices and aerospace industries. This platform connects companies with regulatory bodies to provide essential information, training, and guidance on obtaining certificates for specific products and services.

- **Malta** set up an e-College offering comprehensive online courses with the objective to expand upskilling and reskilling opportunities for all adults regardless of their employment status. Learners are assisted through a mentoring and guidance unit as well as an online hub to provide guidance services to adults seeking the best educational trajectory to match their upskilling and reskilling needs as well as counselling in general wellbeing. The e-college is also complemented by a hub facility providing physical space with technical equipment and in-person coaching for adults who are lacking digital skills or equipment to access courses online.
- **Lithuania** has created a new Research Council that helps businesses and organisations take advantage of international research and innovation opportunities and provides analytical support to the government on innovation and higher education policies.

#### Investments:

- In **Italy**, 25 companies, including SMEs, have received funding for participating in Important Projects of Common European Interest on hydrogen technology and industry; microelectronics and communication technologies; and next generation cloud infrastructure and services. These projects finance breakthrough innovation contributing to Europe's competitiveness, innovation and sustainability.
- In **Croatia**, around EUR 18 million has been granted to research projects carried out by universities and research institutes that have agreed to focus on results, changing the way public research is funded towards rewarding successful outcomes.
- In **Spain**, EUR 897 million were awarded to 3 463 research and development projects linked to: (i) proof of concept, (ii) strategic technologies, (iii) green and digital transition, (iv) public-private research collaboration, (v) research and development for societal challenges and (vi) for international research collaboration.

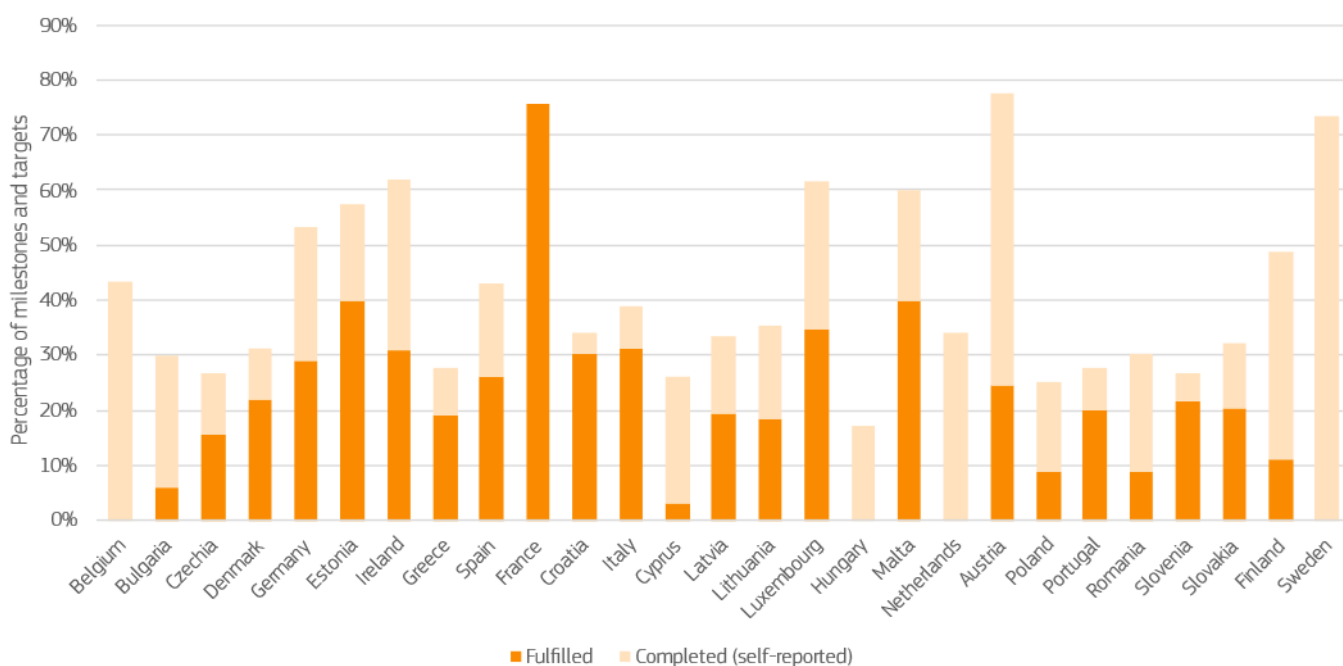
### **Social and territorial cohesion**

**Member States have included a significant number of measures to support social and territorial cohesion, especially contributing to the implementation of the European Pillar of Social Rights.** Many RRP include dedicated chapters on equal opportunities and access to the labour market, fair working conditions and social protection and inclusion. All RRP also finance measures aimed at improving different types of territorial infrastructure and services, including reforms and investments to boost the competitiveness, improve transport and broadband connectivity, ensure the sustainable use of natural resources and preserve the environment, as well as to improve the performance of the public

administration at local and regional level. More precisely, the 27 RRP adopted by the Council will support this pillar with around EUR 261.2 billion<sup>61</sup>.

**The RRP coverage of social and territorial cohesion is more present in some plans than others, with good overall progress.** In some Member States, social and territorial cohesion is incorporated in various measures across all components of the RRP. 1 064 of the 2 888 milestones and targets contributing to social and territorial cohesion are already reported as completed by Member States or assessed as fulfilled by the Commission, representing a 37% progress rate (including 20% assessed in payment requests). 322 of the milestones and targets contributing to social and territorial cohesion were assessed by the Commission as fulfilled between 1 September 2023 and 31 August 2024 (reporting period). The examples provided in the box below highlight key measures with completed milestones and targets during the reporting period.

Figure 20: Percentage of milestones and targets contributing to social and territorial cohesion assessed as fulfilled or reported as completed, per RRP



Source: European Commission

**Examples of relevant measures with fulfilled milestones and targets under the social and territorial cohesion pillar**

**Reforms:**

- **Italy** adopted a new framework law to improve the living conditions of non-self-sufficient elderly people. In particular, the law aims to simplify and provide ‘Points of Single Contact’ for social and health services, review the procedures for assessing the

<sup>61</sup> 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.

condition of care dependent elderly persons, and increase the set of social and health care services that may be provided at home.

- **Greece** certified 150 000 citizens for successfully completing training programmes on digital, green and financial literacy skills. The programmes aim to enhance labour market opportunities of youth and long-term unemployed, technologically disadvantaged employees, employees with limited training resources, and public sector employees such as teachers.
- **Poland** established the Green Urban Transformation Instrument to foster sustainable urban development and to address socio-economic disparities. This initiative aims to improve urban infrastructure through energy-efficient solutions (such as energy clusters and use of renewables); the promotion of nature-based solutions for the green transformation (such as green-blue infrastructures for sustainable rainwater management); and the support of zero-emission transport systems (by encouraging walking, cycling and collective transport, as well as the creation of Low Emission Zones).

#### **Investments:**

- **France** subsidised the thermal renovation of 20 000 additional social housing dwellings in both mainland France and the overseas territories, reaching 40 000 social dwellings since 2020. Through deep renovations of buildings, the ambition is to progressively eliminate thermal sieves and achieve at least 30% of energy savings on average by the end of 2026.
- **Italy** strengthened its workforce by activating a training path to enhance the skills of the Italian National Health Service. Providing an initial 1 800 scholarships, the program aims to improve general medical practice and hospital infection safety for staff members.
- **Latvia** renovated or rebuilt 75 km of regional and local roads with the aim to improve road safety, ensure the connectivity and functioning of the new municipalities, as well as to improve the access of citizens to jobs and services.

### **Health, economic and institutional resilience**

**RRPs contribute significantly to health, and economic, social and institutional resilience, with the aim of, inter alia, increasing crisis preparedness and crisis response capacity.** More than 1 200 measures and sub-measures for about EUR 88.5 billion<sup>62</sup>, included in the RRP, contribute to the policy pillar of health, and economic, social

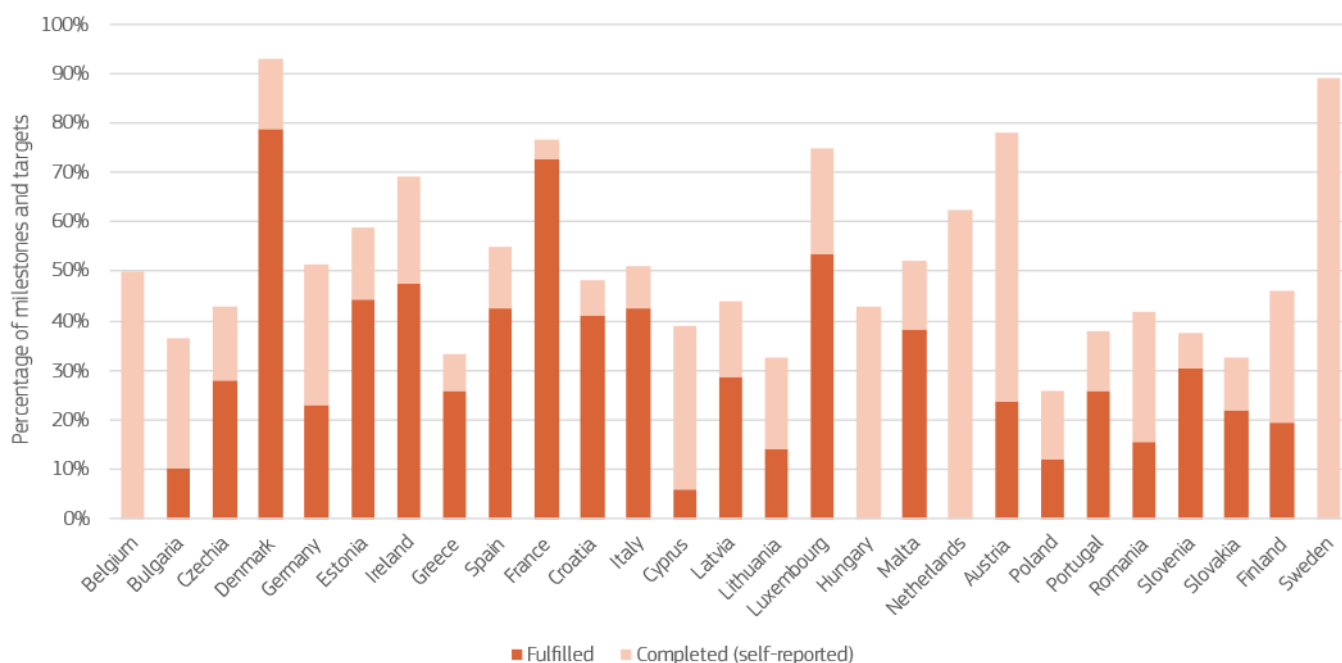
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<sup>62</sup> This figure shows cost estimates based on the pillar tagging methodology for the [Recovery and Resilience Scoreboard](#) and corresponds to the measures allocated to the health, economic and institutional resilience pillar as primary and/or secondary policy pillar.

and institutional resilience. These measures cover policy areas ranging from health and long-term care to the effectiveness of judicial systems and anti-money laundering measures.

**Health, economic and institutional resilience is the pillar in which most progress has been achieved so far.** 1 162 of 2 503 milestones and targets contributing to health, and economic, social and institutional resilience are reported as completed by Member States or assessed as fulfilled by the Commission, which corresponds to a progress rate of 46% (including 27% assessed in payment requests). 374 of the milestones and targets contributing to health, economic and institutional resilience were assessed by the Commission as fulfilled between 1 September 2023 and 31 August 2024 (reporting period). The examples provided in the box below highlight key measures with completed milestones and targets during the reporting period.

Figure 21: Percentage of milestones and targets contributing to health, economic and institutional resilience assessed as fulfilled or reported as completed, per RRP



Source: European Commission

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

**Reforms:**

- **Greece** set up 48 mental health units, to support universal free access to quality mental health services. The patients of these units include children, adolescents and young adults with mental health problems, patients with dementia, Alzheimer’s disease and autism, as well as people who use addictive substances and dependent individuals. In addition, the reform aims to move mental health care out of institutions

and create community-based services that work together to meet current mental health needs and prepare for future challenges after the pandemic.

- **Estonia** amended relevant laws to strengthen primary healthcare. The legislative changes improved the management of patient lists, making it easier for patients to continue receiving primary care, and extended the rights of nurses to prescribe medicines to patients. The country also made it more attractive for doctors and pharmacists to work in remote areas.
- In **Croatia**, a wage-setting reform has been implemented. Starting in April 2024, all civil and public servants received salaries according to the new and more transparent remuneration system based on the principle of equal pay for equal work.

#### Investments:

- **Belgium** endorsed a deinstitutionalisation strategy for long-term care of the Walloon Region as part of a broader investment which aims at increasing the supply of social housing for vulnerable groups through the construction and energy-efficient renovation of low-rent housing, of inclusive and solidarity-based housing, as well as of homeless accommodation places.
- **Denmark** developed a new digital solution to make citizens and the healthcare system more connected following the COVID-19 pandemic. New digital questionnaires have been developed, covering pneumococcus, influenza and pregnancy, to allow for rapid stratification of patients in terms of vaccination needs and other medical conditions.
- **Ireland** awarded contracts for the procurement of a digital solution supporting the deployment of an ePharmacy system across hospitals in Ireland. This system enables authorities to better monitor the use and costs of medications, and supports electronic prescription and administration of medicines, thus improving care delivery and patient safety. Ireland also completed the design, building and configuration of an integrated financial management system to make procurement and financial management within the healthcare system more efficient.

### **Policies for the next generation**

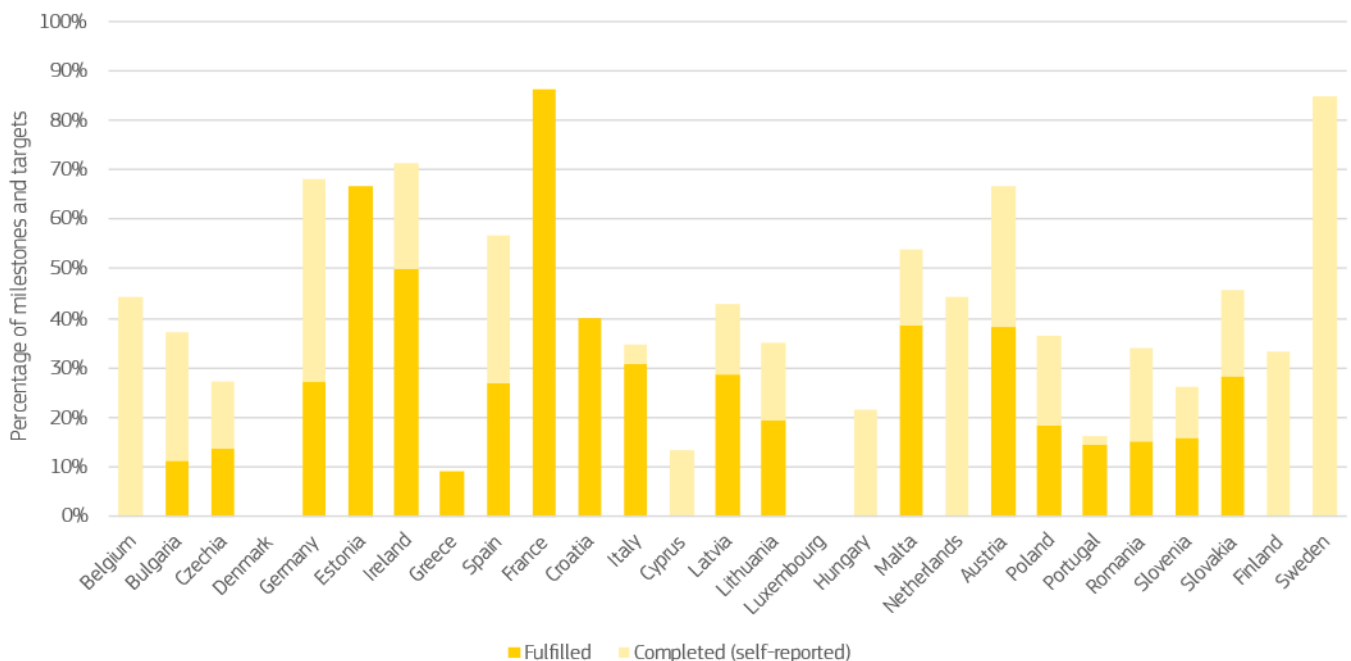
**Measures for the next generation, children and youth focus primarily on early childhood education and care, education and training as well as measures to support youth employment.** The RRP adopted by the Council support this pillar with about EUR 56.4 billion<sup>63</sup>, of which around three quarters contribute to general, vocational, and higher education. The remaining quarter is almost equally split between early childhood and care and youth employment support.

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<sup>63</sup> 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.

**Progress is also tangible for the milestones and targets contributing to policies for the next generation, children and the youth, such as education and skills.** So far, 259 of 665 milestones and targets are already reported as completed by Member States or assessed as fulfilled by the Commission, which corresponds to a progress rate of 39% (including 21% assessed in payment requests). 75 of these milestones and targets contributing to policies for the next generation were assessed by the Commission as fulfilled between 1 September 2023 and 31 August 2024 (reporting period). The examples provided in the box below highlight key measures with completed milestones and targets during the reporting period.

*Figure 22: Percentage of milestones and targets contributing to policies for the next generation assessed as fulfilled or reported as completed, per RRP*



**Note:** The RRP of Denmark includes several milestones and targets that contribute to policies for the next generation, which are not yet assessed by the Commission as fulfilled or reported by the Member State as completed.

**Source:** European Commission

### **Examples of relevant measures with fulfilled milestones and targets under the policies for next generation pillar**

#### **Reforms:**

- **Slovakia** introduced a state national education programme for primary and lower-secondary schools, which will bring updated curricula to classrooms. The new curriculum will be rolled out in three cycles and aims to set higher, modernised standards for key learning goals.
- The higher education governance reform entered into force in **Latvia**. The reform includes (i) the definition of university typologies and strategic specialisation of universities; (ii) the procedure for the establishment and approval of university councils, the competence of the councils, while clarifying the competences of the

Senate, the Rector and the Constitutional Assembly; and (iii) the procedure for selecting and approving new university rectors.

- **Germany** strengthened the educational system through a reform to provide additional courses and mentoring to pupils with a learning backlog, with a focus on core subjects and core competences to tackle the learning disparities created by the COVID-19 crisis. EUR 500 million will also be spent to create 90 000 additional childcare places, by building new childcare facilities and refurbishing existing ones.

#### **Investments:**

- **Portugal** provided 600 000 laptops to pupils and teachers in primary and secondary public schools on a lending basis supporting digital education and teaching.
- **Italy** offered structured educational support to at least 20 000 minors aged up to 17 years, thereby combating educational poverty and supporting equal opportunities for all children in the South of Italy.
- **Ireland** connected 750 primary schools to high-speed broadband network through the installation of routers, thereby facilitating modern digital education. This further helps address the regional and digital disparities in Ireland through increasing connectivity in smaller and rural schools, which have historically had the lowest ratings of connectivity.

## **Gender and children & youth**

**RRPs continue to contribute significantly to gender equality and to focus on children and youth.** Member States' RRP's contain 136 (sub-)measures that altogether contribute EUR 22.0 billion<sup>64</sup> to gender equality. They also include 423 (sub-)measures that focus on children and youth, contributing EUR 66.6 billion<sup>65</sup>. 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.

**There has also been notable progress in implementing measures that contribute to gender equality and that focus on children and youth.** Of the 253 milestones and targets with a focus on gender equality in the 27 RRP's, 102 are already reported by Member States as completed or assessed by the Commission as fulfilled, representing a 40% progress rate (including 22% positively assessed in payment requests). In addition, 288 of the 714 milestones and targets contributing to children and youth are already reported by Member States as completed or assessed by the Commission as fulfilled, representing a

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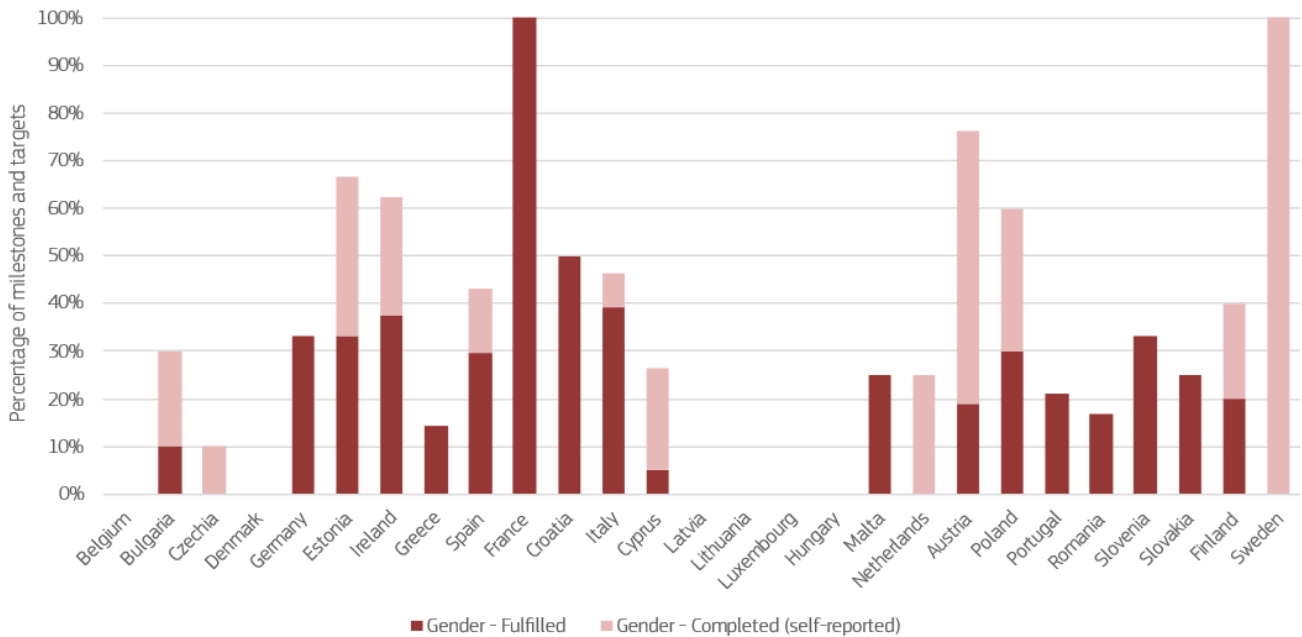
<sup>64</sup> This figure shows cost estimates based on the pillar tagging methodology for the [Recovery and Resilience Scoreboard](#) and corresponds to the share of measures with a focus on gender equality.

<sup>65</sup> 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.



40% progress rate (including 22% positively assessed in payment requests). 33 of the milestones and targets contributing to gender and 79 of those contributing to children and youth were assessed by the Commission as fulfilled between 1 September 2023 and 31 August 2024 (reporting period). The examples provided in the box below highlight key measures with completed milestones and targets during the reporting period.

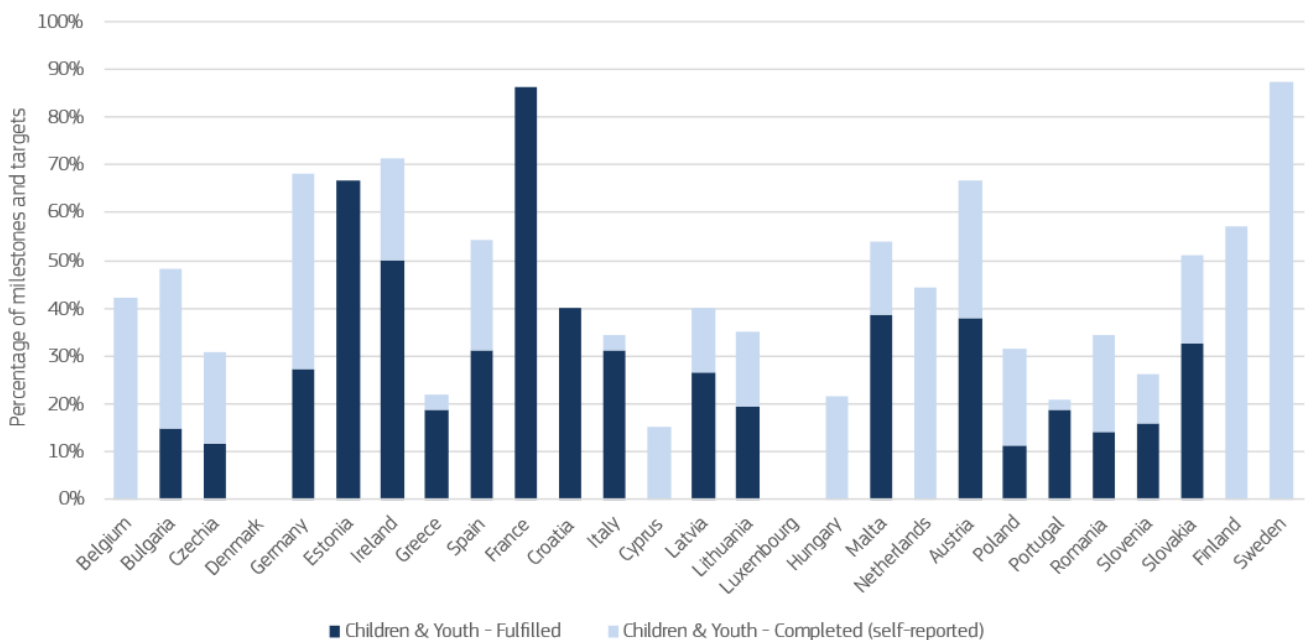
Figure 23: Percentage of milestones and targets contributing to gender equality assessed as fulfilled or reported as completed, per RRP



**Note:** The RRP of Belgium, Latvia, Lithuania and Hungary include several milestones and targets contributing to gender equality, which are not yet assessed by the Commission as fulfilled or reported by the Member State as completed.

**Source:** European Commission

Figure 24: Percentage of milestones and targets with a focus on children and youth assessed as fulfilled or reported as completed, per RRP



**Note:** The RRP of Denmark includes several milestones and targets with a focus on children and youth, which are not yet assessed by the Commission as fulfilled or reported by the Member State as completed.

**Source:** European Commission

**During the European Youth Week, the Commission organised an event on the impact of the RRF on young people.** The European Youth Week, organised by the European Commission every two years to promote youth engagement, attracted over 900 young attendants in April 2024. The event focused on eight young people who benefited from RRF measures in various ways, alongside insights from national implementing bodies and the European Commission. For example, a young Latvian IT teacher discussed the "A Computer for Every Child" project, which provides laptops to students, particularly those from disadvantaged backgrounds. In addition, a Slovenian designer and a PR manager explained how they were empowered and how they enhanced their social security thanks to the financial incentives for employers to hire young people on permanent contracts. Other participants shared their experiences about the modernisation of university programme in Czechia, vouchers for digital equipment in Greece, career counselling in France, and digital devices for training institutions in Spain<sup>66</sup>.



### **Examples of relevant measures with fulfilled milestones and targets contributing to gender and to children and youth**

#### **Reforms:**

- **Croatia** has introduced a funding model to cover the running costs of both existing and newly built early childhood education and care centres for towns and local governments with limited budgets. This supports equal chances for all kids and helps carers, often women, find full-time jobs.
- **Estonia** developed a prototype of a digital gender pay-gap tool for employers. With this tool, employers can get the necessary information about the gender pay gap and

<sup>66</sup> For further information, see the factsheet available at [https://commission.europa.eu/document/download/c6550656-98f3-472d-a6d7-6ae2a0620de8\\_en?filename=240425-RRF\\_supporting\\_young\\_people-FACTSHEET\\_v6.pdf](https://commission.europa.eu/document/download/c6550656-98f3-472d-a6d7-6ae2a0620de8_en?filename=240425-RRF_supporting_young_people-FACTSHEET_v6.pdf).

its possible causes in their organisation, empowering them to take action to reduce the gender pay gap.

**Investments:**

- **Italy** provided financial support to the creation and/or growth of 700 enterprises led by women, supporting female entrepreneurship and strengthening women's participation in business activities.
- **Slovenia** provided subsidies for the employment of 700 persons below the age of 30, thereby ensuring their faster entry into the labour market, empowering young people, enhancing their social security and improving their skills.
- **Romania** provided grants to 750 educational establishments most in need, to support students in view of reducing drop-out and facilitate the transition from lower to upper secondary education. Schools were selected based on five indicators defined in the Early Warning Mechanism in Education.
- **France** subsidised 160 000 additional apprenticeship contracts, as well as the creation of 2 200 jobs for youth in the sports sector and built or renovated 1 500 places in "boarding schools of excellence".

## **D. Policies to improve competitiveness of EU businesses**

*RRPs contribute to improved competitiveness of EU businesses, with about three million enterprises having already benefitted from RRF support*

**Investments directly supporting enterprises total over EUR 82 billion, 13% of the total RRF estimated expenditure.** Out of this amount, approximately EUR 78 billion is allocated to SMEs across 22 Member States. In addition, support to companies, including financial aid and digitalisation of public administration, amount to at least EUR 164 billion (25% of the total RRF estimated expenditure). RRF investments improving competitiveness cover multiple sectors, including manufacturing, automotive, energy, retail, tourism, and culture, with over EUR 110 billion invested in industry decarbonisation and clean tech, EUR 23 billion in green R&D, and over EUR 2 billion in green skills and jobs. RRF investments also foster the digital transition, benefiting nearly 600 000 companies to advance with technologies like AI and cybersecurity.

**In addition to investments, the RRFs contain more than 900 reforms, across a wide range of policy areas<sup>67</sup> geared towards alleviating regulatory and administrative**

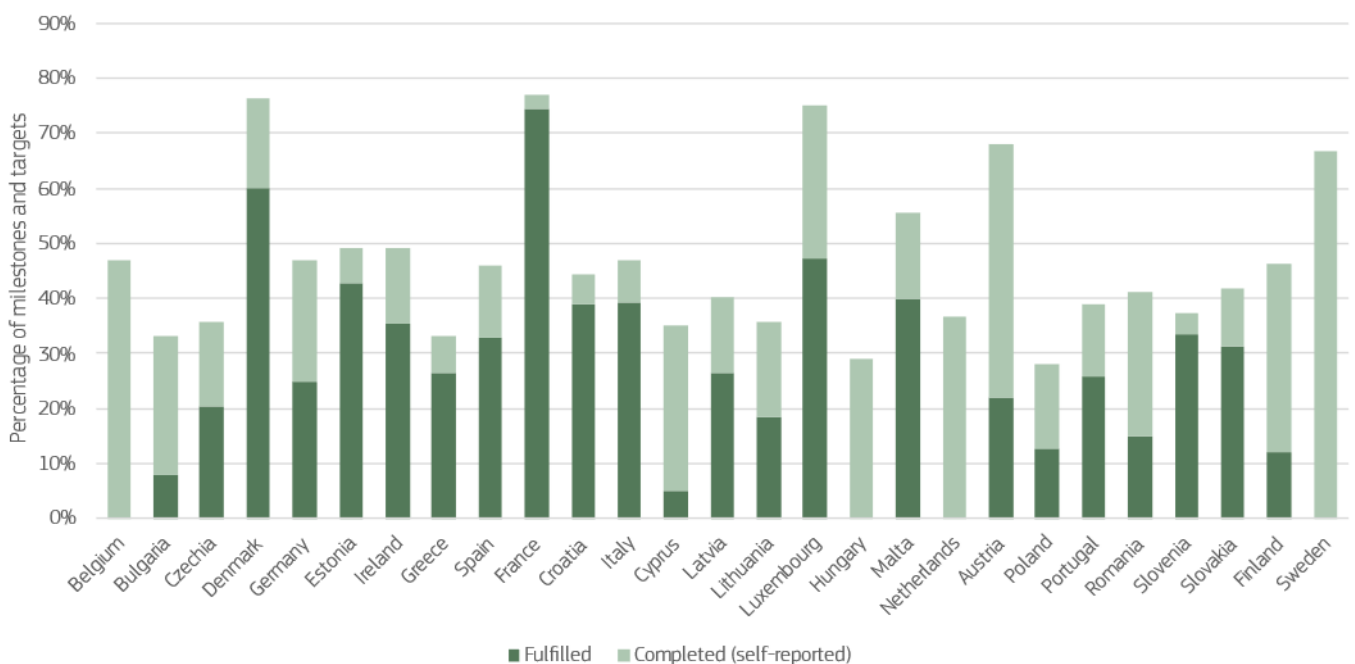
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<sup>67</sup> The following RRF policy areas are considered to contribute to competitiveness: Business Environment/ Entrepreneurship; Business Infrastructure; Competitiveness; Effectiveness of Judicial Systems; Effectiveness of Public Administration and National Systems, including Minimising Administrative Burden; E-Government, Digital Public Services (Including Digitalisation of Transport) and Local Digital Ecosystems; Financial Sector Reforms; Fiscal Policy and Fiscal Governance; Fraud Prevention; Regulatory Changes for Smart, Sustainable and Inclusive Growth; Research, Development and Innovation; Support to Large Enterprises; Support to SMEs.

**burdens and addressing challenges throughout the entire business life cycle, to maximise the impact of investments and boost the competitiveness of EU businesses.** These RRP measures focus on simplifying regulations and cutting red tape that often hampers business, particularly SMEs. Competitiveness measures address challenges throughout the entire business lifecycle. The RRF helps Member States reduce the time needed to start a company, streamline and speed up licensing and permitting processes, reduce restrictions to access regulated professions, and ease and digitise the incorporation of businesses.

**There has been significant progress in implementing measures related to competitiveness.** Since the inception of the RRF, 1 856 of the 4 352 milestones and targets that directly contribute to growth and competitiveness of businesses are already reported by Member States as completed or assessed by the Commission as fulfilled, which represents a progress rate of nearly 43% (including 25% assessed in payment requests). 592 of these milestones and targets contributing to growth and competitiveness were assessed by the Commission as fulfilled between 1 September 2023 and 31 August 2024 (reporting period). The examples provided in the box below highlight key measures with completed milestones and targets during the reporting period.

Figure 25: Percentage of milestones and targets contributing to competitiveness assessed as fulfilled or reported as completed, per RRP



Source: European Commission

## **Examples of relevant measures with fulfilled milestones and targets contributing to competitiveness**

### **Reforms:**

- **France**, through the law on accelerating and simplifying public action, simplified administrative rules and procedures, including among others shortening the time needed to review industrial projects or streamlining consultative committees in order to speed up administrative decisions.
- **Slovenia**, through the “Debureaucratisation Act”, has helped create a growth-friendly business environment for the business sector and citizens by streamlining or removing burdensome administrative procedures. This has resulted in lower administrative costs and an increase in the competitiveness of businesses in Slovenia. It also simplified the legislation by repealing over 200 laws and by-laws that were outdated or no longer applicable.
- **Croatia** has made it easier for businesses to deal with regulations by moving the SME Impact Assessment Test online. This includes a digital platform that helps track how new laws affect SMEs and allows experts from across the country to work together and share knowledge. Furthermore, Croatia has rolled out a new action plan to lower extra fees and charges that businesses face, aside from taxes.

### **Investments:**

- **France** introduced a funding scheme for the decarbonisation of the industry, amounting to EUR 300 million. This resulted in concrete support to companies in their decarbonisation path. For example, a textile company received EUR 917 000 to invest in more efficient industrial processes in one of its factories. This investment will reduce the energy consumption by 2 950 MWh/year, lowering the CO<sub>2</sub> emissions by 30% each year and water consumption by 50% by 2025. A leading French cooperative in the field of dehydration replaced a high temperature dryer (150 to 600 C°), with a low temperature dryer (105 to 70 C°), recovering heat from the city waste incineration plant. This measure aims to reduce CO<sub>2</sub> emissions on site by 40% (7 680 tonnes each year).
- **Spain** has progressed investments in strategic projects to transform value chains in key sectors such as automotive, agrifood, health, naval, and industry decarbonisation. At least EUR 1.2 billion have been awarded to 925 innovative projects focusing on energy efficiency, sustainability, and digital transformation. Out of them, 584 are linked to electric vehicle, health and agrifood. Notably, 266 projects support the development of components and platforms for electric, plug-in hybrid, and hydrogen vehicles, as well as research and development in autonomous driving and connected mobility.

### 3. REPowerEU

**The RRF is a key instrument for achieving the objectives of the REPowerEU Plan, aimed at reducing Europe’s dependency on Russian fossil fuels by accelerating the clean energy transition and achieving a more resilient energy system.** The RRF Regulation was amended in February 2023 to provide additional financial resources to Member States, supporting new or scaled-up reforms and investments focused on diversifying energy supplies, increasing energy savings, increasing production of clean energy, and enhancing the resilience, security, and sustainability of the EU's energy system.

**The funding of EUR 64.2 billion for REPowerEU objectives comes from various sources.** EUR 20 billion in additional non-repayable financial support is provided under the RRF, raised by auctioning allowances under the Emissions Trading System. This financial support is distributed among Member States based on an updated allocation key in Annex IVa to the RRF Regulation<sup>68</sup>. Member States could also transfer all or part of their provisional allocation under the Brexit Adjustment Reserve ('BAR') to the RRF for financing investments and reforms in their REPowerEU chapters. 23 Member States requested such a transfer, totalling EUR 2.1 billion<sup>69</sup>. To finance new investments and reforms contributing to the achievement of the REPowerEU objectives, Member States could also benefit from the highly favourable financing conditions of RRF loans. By the deadline of 31 August 2023, 10 Member States requested additional loans amounting to EUR 127.2 billion<sup>70</sup>, of which EUR 40.5 billion are dedicated REPowerEU measures<sup>71</sup>

**To access these additional funds, Member States revised their RRP to include new or scaled-up reforms and investments in a dedicated 'REPowerEU chapter'.** By 31 August 2024, 26 Member States<sup>72</sup> had submitted their modified RRP along with REPowerEU chapters, of which 25 were adopted by the Council<sup>73</sup>.

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<sup>68</sup> For the additional non-repayable support available per Member State see Table 11 of the [RRF Annual Report 2023 \(COM\(2023\) 545 final/2\)](#).

<sup>69</sup> For further details see Table 12 of the [RRF Annual Report 2023 \(COM\(2023\) 545 final/2\)](#).

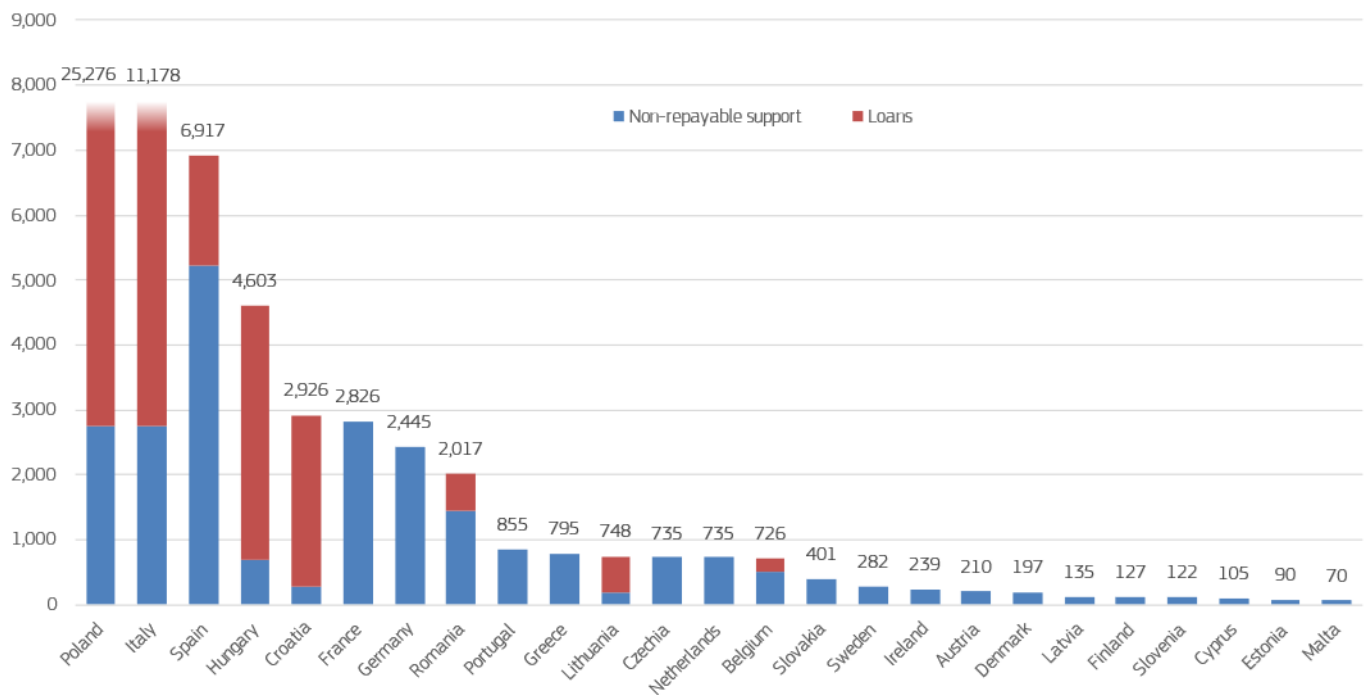
<sup>70</sup> This represents 43.7% of the total loan amount (EUR 291 billion) requested by Member States for their national RRP

<sup>71</sup> For further details see Table 7 of the [RRF Annual Report 2023 \(COM\(2023\) 545 final/2\)](#).

<sup>72</sup> At the time of writing, Bulgaria had not yet submitted its REPowerEU chapter.

<sup>73</sup> Luxembourg submitted its REPowerEU chapter on 16 May 2024. The Commission issued a positive assessment of Luxembourg's revised plan including the REPowerEU chapter on 23 July 2024 and the revised plan was adopted by the Council on 23 September 2024.

Figure 26: Estimated cost of REPowerEU chapters by Member State, in EUR million



Source: European Commission

**The measures in the REPowerEU chapters must effectively address the objectives of the REPowerEU plan.** More specifically, the RRF Regulation sets six objectives for reforms and investments in the REPowerEU chapter and requires that each measure contributes to at least one of them<sup>74</sup>:

- (1) improving the energy infrastructure for security and diversification of supply for gas;
- (2) boosting energy efficiency, decarbonisation of industry, deployment of renewable energy;
- (3) addressing energy poverty;
- (4) incentivising reduction of energy demand;
- (5) addressing energy transmission and distribution bottlenecks, supporting zero-emission transport;
- (6) requalification of the workforce towards green and digital skills, supporting the value chains linked to the green transition.

The Commission carefully assessed the new measures in the REPowerEU chapters, and proposed for Council adoption only those that satisfactorily complied with the assessment criteria set out in Annex V to the RRF Regulation, including the additional criteria relevant for the REPowerEU chapters: (i) contribution to the REPowerEU objectives and (ii) whether the measures have a cross-border or multi-country dimension or effect.

<sup>74</sup> Article 21c(3) of the [RRF Regulation](#)

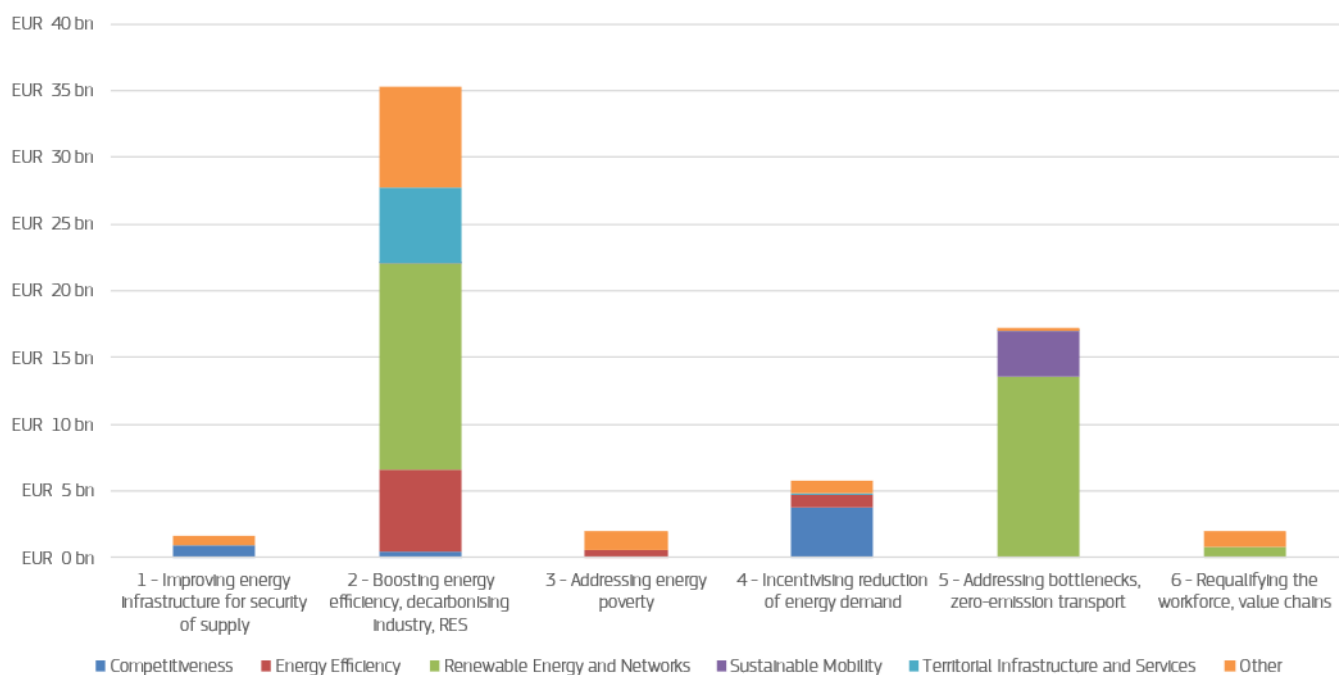
Beyond the REPowerEU chapters, other measures in the RRP are also related to energy, contributing to the REPowerEU objectives and helping Europe reduce its dependency on Russian fossil fuels.

## A. Overview of measures across the REPowerEU chapters

*The additional REPowerEU reforms and investments address bottlenecks, help accelerating the clean energy transition and strengthening the security of energy supply*

The 25 REPowerEU chapters adopted by the Council by 31 August 2024 include 261 new measures: 89 reforms and 172 investments, with a total estimated cost of EUR 64 billion. These measures all contribute to one of the REPowerEU objectives, with a prominent focus on objectives 2 and 5: measures accounting for more than 80% of the total estimated costs address objective 2 ‘boosting energy efficiency and accelerating the deployment of renewable energy’ (EUR 35.3 billion) and objective 5 ‘addressing energy transmission and distribution bottlenecks, and supporting zero-emission transport’ (EUR 17.3 billion).

Figure 27: REPowerEU allocation per REPowerEU objective, breakdown by primary policy area



Source: Recovery and Resilience Scoreboard

**The distribution of support across the policy areas reflects the most pressing needs of Member States in their clean energy transition.** Measures in the REPowerEU chapters spread over several policy areas and their contribution to REPowerEU objectives depends on the specific scope of the individual measures. Investments in renewable energy and networks account for the largest share of the REPowerEU support (47%, or about EUR 29.8 billion). These investments comprise additional capacity of renewable energy production, electricity grid developments and storage capacity. Energy efficiency measures



(allocation of about EUR 8 billion) contribute to several REPowerEU objectives, with the highest contribution to REPowerEU objective 2 ‘boosting energy efficiency, decarbonisation of industry, deployment of renewable energy’. Measures which focus on improving territorial infrastructure and services (allocation of about EUR 5.7 billion) have a diverse scope but mainly focus on energy production from renewable sources at regional and local level, explaining their important contribution to REPowerEU objective 2 ‘boosting energy efficiency, decarbonisation of industry, deployment of renewable energy’. Measures linked to increasing competitiveness (allocation of about EUR 5.2 billion) aim to reduce the energy consumption of businesses and companies through different interventions (mainly energy efficiency improvements, and energy infrastructure developments) and they contribute primarily to REPowerEU objective 4 ‘incentivising reduction of energy demand’. Investments in sustainable mobility (allocation of EUR 3.4 billion) contribute to REPowerEU objective 5 ‘energy network and zero-emission transport’.

**Member States' needs and challenges vary in terms of investment volumes and specific areas to be targeted to effectively contribute to the achievement of the REPowerEU objectives.**

In terms of their financial volume, the measures in the REPowerEU chapters focus heavily on increasing energy efficiency and on the deployment and production of energy from renewable sources in almost half of the Member States (above 70% of the total estimated cost of the REPowerEU chapters in Belgium, Croatia, Denmark, Finland, France, Germany, Greece, Lithuania, Malta, Netherlands, Romania, Spain, Sweden). Measures addressing energy transmission and distribution bottlenecks and supporting zero-emission transport (objective 5) also represent a considerable share of the total estimated cost of the new REPowerEU measures in six Member States (above 40% of the total estimated cost of the REPowerEU chapters in Czechia, Estonia, Latvia, Poland, Slovakia and Slovenia), with Latvia having dedicated 99% of the total estimated costs to that objective.

**Three Member States included measures addressing REPowerEU objective 1, ‘improving the energy infrastructure for security and diversification of supply for gas’.**

The REPowerEU chapters include investments in the construction, extension and upgrade of the existing natural gas distribution system (Italy, Poland) and in increasing the LNG terminal capacity (Croatia) to diversify supply and strengthen security. The total cost for those four investments is estimated at EUR 1.6 billion<sup>75</sup>.

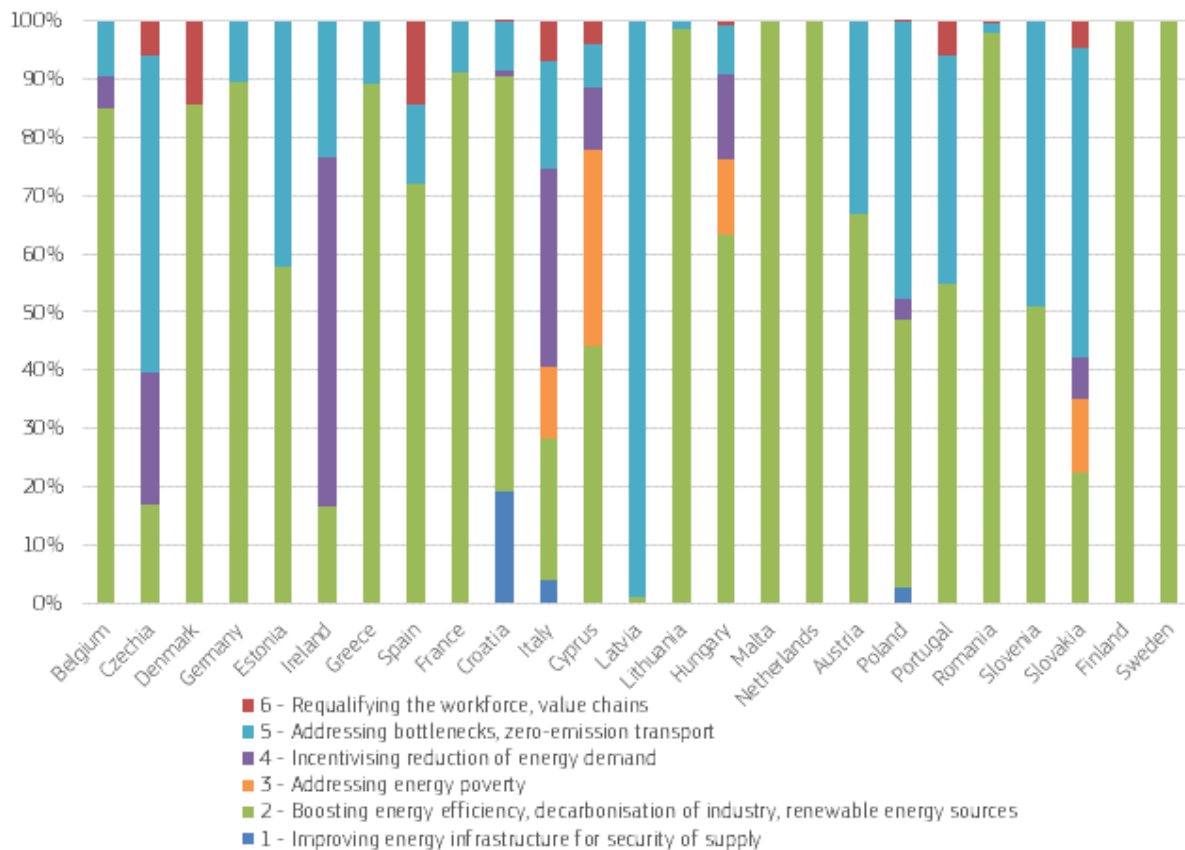
**The measures included in REPowerEU chapters significantly reinforce the RRF contribution to climate objectives.**

More than 74% of the total estimated cost of REPowerEU measures account as climate expenditure, well above the minimum 37% requirement. This additional support under the RRF for climate action amounts to EUR 47.8 billion.

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<sup>75</sup> The Commission concluded in the country-specific assessments that these measures fulfilled the requirements for derogation from ‘do no significant harm’ principle in line with Article 21c (6) of the Regulation 2021/241, to safeguard the EU’s immediate energy security.

Figure 28: Share of estimated cost of measures contributing the RRF REPowerEU objectives



Source: Recovery and Resilience Scoreboard

**To benefit from the financial support available for the REPowerEU chapters, Member States will have to fulfil 372 milestones and 254 targets.** On 5 June 2024, the first non-repayable support was disbursed to France for the fulfilment of 5 milestones and targets under REPowerEU<sup>76</sup>. These covered, amongst others, the selection of projects for industrial decarbonisation that will achieve an expected reduction of fossil energy consumption of 250 GWh per year and the entry into force of the Law on the acceleration of renewable energy production to speed up permitting procedures. As of 31 August 2024, 68 milestones and targets (of the total 622) have been reported as completed but not yet formally assessed by the Commission. Given the recent adoption of the REPowerEU chapters, it is still too early to assess the implementation of the new reforms and investments included therein. However, in order to contribute to the REPowerEU objectives in a timely fashion, Member States were encouraged to include mature projects into their REPowerEU chapters, ensuring accelerated implementation.

<sup>76</sup> Member States could request pre-financing of the REPowerEU allocation until the end of 2023, amounting to 20% of the additional funding. To frontload the financial support for their REPowerEU measures, EUR 10.4 billion were disbursed to the 21 Member States that requested it (Sweden and the Netherlands did not request pre-financing).

### **Examples of measures in the REPowerEU chapters:**

#### **Reforms:**

- **Spain** will introduce a key reform improving permitting for renewable energy production projects and electricity network infrastructure. The reform aims to: (i) facilitate the deployment of renewable energy sources and (ii) streamline the processing of permitting applications.
- **Poland** will ensure faster deployment of renewables, especially onshore wind installations, thanks to far-reaching reforms to facilitate permitting, by way of introducing a single rule book, allowing for electronic applications, and ensuring transparency on available connection capacities. In total, 30 gigawatts of renewables are expected to be connected to the grid by 2026.

#### **Investments:**

- **Portugal** will provide support to the manufacturing capacity for strategic net-zero technologies, such as the production of solar panels in Portugal and Europe, onshore and offshore renewable technologies, electrolyzers and sustainable biomethane.
- **Romania** will provide support to more than 120 000 homeowners to install solar panels and to more than 30 000 homeowners for energy efficiency measures – in addition to targeted support for similar investments for 14 000 energy-poor homeowners and vulnerable energy consumers.
- **Belgium** will facilitate the integration and import of more renewable energy in and around the North Sea, by supporting the development of an offshore energy island hub in the North Sea. This will allow the connection of at least 3.15 gigawatts of future offshore wind electricity to the onshore electricity grid.

## **B. Overview of measures having a cross-border or multi-country dimension included in all REPowerEU chapters**

*REPowerEU measures boast 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 encouraged under the RRF.** 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. While RRF support to genuine cross-border infrastructure was limited, due to their complexity and execution timelines, most Member States have included in their REPowerEU chapters reforms and investments to upgrade their energy storage capacities and power grids. These reforms are designed to ease the integration of renewable energy resources and improve grid flexibility and efficiency, thereby supporting a broader EU-wide energy infrastructure. All 25

REPowerEU chapters adopted by 31 August 2024 include measures with multi-country or cross-border dimension, with a total estimated cost of EUR 48.7 billion, representing 76% of the total cost of measures in the chapters, well above the minimum 30% required by the RRF Regulation. Some of the key cross-border and multi-country dimension and projects are:

- several Member States have included cross-border electricity interconnection projects in their RRFs. For example, Belgium is constructing an artificial energy island in the North Sea, which will connect at least 3 GW of future offshore wind energy to the onshore electricity grid and facilitate the import of renewable energy from neighbouring countries. Italy is improving its internal energy infrastructure by constructing submarine cables between Sicily and Campania, and it is also upgrading the electricity transmission interconnectors with Austria and Slovenia to enhance cross border electricity flows. This will enhance energy resilience and integration of renewable energy sources,
- there are investments in gas infrastructure aimed at reducing dependency on Russian gas and ensuring energy security across the EU. For instance, Poland is expanding its gas network between Gdańsk and Gustorzyn; Croatia is increasing the capacity of the Krk LNG terminal, with connections to Hungary and Slovenia; and Italy is increasing connection with Austria and central Europe.
- some Member States, such as France and Spain, are focusing on joint investments in renewable hydrogen production (Important Projects of Common European Interest or IPCEIs), which have a cross-border dimension and aim to strengthen the hydrogen value chain across the EU. Croatia is financing renewable hydrogen projects in the context of the North Adriatic Hydrogen Valley, bringing together Croatia, Slovenia and Friuli Venezia Giulia region in Italy.

A common feature of all these projects is that their ultimate objective is to reduce the energy demand, reduce the use of fossil fuels and ensure security of energy supply, thus making a major contribution to the REPowerEU objectives. Information on the REPowerEU chapters of the RRF is also available on the REPowerEU section of the Recovery and Resilience Scoreboard<sup>77</sup>.

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<sup>77</sup> See [https://ec.europa.eu/economy\\_finance/recovery-and-resilience-scoreboard/rePowerEu.html](https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/rePowerEu.html).

## 4. Conclusion

**Fulfilment of milestones and targets and disbursements of RRF funds have accelerated following the delays experienced in 2023.** Whilst Member States' and the Commission's efforts in 2023 were geared towards the revisions of RRP in response to the REPowerEU plan, the pace of disbursement has subsequently picked up. By 31 August 2024, over 40% of the available RRF funds have been disbursed, with EUR 265.4 billion disbursed to 25 Member States. In the reporting period<sup>78</sup> alone, the Commission assessed 908 milestones and targets as satisfactorily fulfilled in 27 payment requests and subsequently disbursed EUR 112 billion to Member States. If the current pace is maintained, the Commission expects to have disbursed more than EUR 300 billion by end of 2024. Furthermore, 85% of the milestones and targets due by the first quarter of 2024 have either been assessed by the Commission as fulfilled or self-reported by Member States as completed.

**The efficacy of the RRF and of its performance-based approach has been confirmed in the RRF mid-term evaluation.** The report, published in February 2024, underlined that both the disbursement of funds against implementation progress and the support of combined reforms and investments were the most successful features of the RRF, often with mutually reinforcing impacts. Member States and stakeholders expressed support for the performance-based nature of the RRF, thanks to the predictability and accountability it provides. The evaluation also noted the impact of swift disbursements of RRF funds in supporting Member States in times of crisis and maintaining the level of public investment, while the unique combination of investments and reforms helps European economies to become better equipped for the green and digital transition and for the future.

**Following the mid-term evaluation of the RRF, the Commission has intensified its efforts to simplify and accelerate implementation.** The Commission adopted on 19 July 2024 an updated Guidance on RRP, to enhance the efficiency in implementing the Facility and simplify the reporting requirements for Member States. The updated guidance provides further clarity on the possibility to amend an RRP under the RRF Regulation and the scope for amendments that can be made to an RRP in case of objective circumstances. It also provides greater clarity regarding the conditions under which support from the RRF and other EU funds can be combined to enhance synergies.

**With only a bit more than two years remaining before the expiry of the RRF by the end of 2026, all Member States' and institutions' efforts should focus on the full and timely implementation of the Facility.** Possible implementation bottlenecks must be addressed and RRP should be adapted where relevant to cater for emerging and evolving challenges. The Commission will continue to work with Member States and key partners to fully use the opportunities provided by the RRF to swiftly deliver the reforms and investments addressing the key challenges of our time to advance the green and digital transition and to further strengthen the resilience and the competitiveness of the European Union.

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<sup>78</sup> From 1 September 2023 to 31 August 2024.