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COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

NextGenerationEU - The road to 2026

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With one and a half years left to bring the Recovery and Resilience Facility (RRF) to a successful conclusion, this Communication takes stock of the implementation of this unique temporary instrument and looks ahead towards its closure end-2026.

The Communication first summarises the key results achieved by the RRF and takes stock of the overall implementation so far. It then recalls the applicable legal framework and the relevant deadlines, together with their operational implications as regards the submission of payment requests, the provision of evidence, the payment suspension procedure and the revision of recovery and resilience plans (RRPs). To maximise results in the face of delays and the approaching end of the Facility, guidance to Member States is then provided on how to further streamline their RRPs, which options to consider when revising them, and how to plan ahead for the submission of the last payment requests in 2026.

1. THE RRF IS SHOWING TANGIBLE RESULTS ON THE GROUND

1.1. A swift reaction to the pandemic leading to long-lasting growth effects

The Recovery and Resilience Facility has been a game-changer in Europe's response to the impacts of the COVID-19 pandemic. Its announcement in 2020, as the core element of NextGenerationEU (NGEU), showcased the Union's commitment to a comprehensive and forward-looking action to quickly and sustainably recover from the dramatic impacts of the pandemic. The first effects were immediate: markets and investors responded positively, sovereign bond spreads narrowed, and financial stability was reinforced, thus stabilising economic and social conditions for EU citizens and businesses ([1]).

The RRF's support has fuelled Europe's recovery. The RRF's pre-financing ([2]) quickly provided financial support to Member States. In contrast to previous crises, which led to a sharp contraction of public investment in the EU, public investment was maintained in the aftermath of the COVID-19 crisis. It is expected to rise to 3.8% of GDP in 2025 before stabilising in 2026, up from 3.2% in 2019 ([3]). A significant part of this increase is related to investments financed by the RRF and other EU funds. The impact on GDP growth is expected to be long-lasting. Model simulations suggest that NGEU investments alone, that is without considering the impact of reforms, could increase EU GDP by 1.4% in 2026 ([4]).

Combining reforms and investments under one comprehensive plan has been one of the most effective features of the RRF. Reforms, often frontloaded in the RRPs, have improved framework conditions in the Member States and paved the way for related investments to be more effective. Moreover, the RRF has fostered the implementation of structural reforms that had long been advocated for in the country-specific recommendations (CSRs) in the context of the European Semester. Overall, the

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([1]) Mid-term evaluation of the Recovery and Resilience Facility (RRF), 2024; [Insights from the Recovery and Resilience Facility: The Business Perspective - European Commission]

([2]) Close to EUR 57 billion were disbursed in pre-financing between August 2021 and January 2022. This helped alleviate the short-term impact of the crisis on Member States budgets

([3]) Spring 2025 Economic Forecast: [European Economic Forecast. Spring 2025]

([4]) Mid-term evaluation of the Recovery and Resilience Facility (RRF), 2024 implementation of CSRs has accelerated, with Member States addressing long-standing challenges, reflecting also common EU priorities ([5]).

The RRF is being financed by joint EU borrowing at an unprecedented scale. EU issuances benefit from a very high credit rating, which also allows Member States to receive RRF loans at favourable conditions in terms of both interest rates and long duration. EU borrowing is guaranteed by the EU budget, is appreciated by investors, and has created a large amount of euro-denominated assets that provide an important benchmark to European financial markets and strengthen the position of the euro in international markets.

1.2. Investments and reforms produce results on the ground

The support provided by the RRF covers a large variety of policy areas, reflecting the instrument's ambition to deliver structural change. The RRF is the first performance-based instrument of this magnitude in the EU. Payments to Member States are made for tangible progress in reforms and investments. The achieved milestones and targets translate into concrete benefits to citizens and business in various areas: from education and healthcare to energy, transport infrastructure, business environment, digital public services, employment policies, rule of law or research and innovation. Policy targets have been instrumental in steering the reforms and investments in line with EU priorities. Member States' plans have exceeded the 20% and 37% targets on digital and climate objectives respectively. For the RRF as a whole, estimated climate expenditure amounts to about 42%, with some Member States dedicating over 50% of their total plan to the EU's green transition.

Given the deep economic integration of EU economies, the benefits from each RRP extend well beyond national borders. The increase in demand triggered by the RRF in one sector leads to higher demand for imported final or intermediate goods from other Member States, benefitting many European companies. For instance, the increase in production of electric cars in Germany or France benefits the producers of car components across many more Member States. Similarly, companies of one Member State can be involved in measures of another country's RRP. For example, Cyprus' RRP is funding the construction of three water reservoirs that were produced by an Austrian company to enhance water security in Nicosia and Larnaca (Cyprus).

The impact of the RRF is visible across the EU. Spillover effects can, in some Member States, more than double the direct impact of the national RRF envelope by 2030 ([6]). Given the scale of their RRPs, Italy and Spain stand out as the two main beneficiaries in terms of expected GDP growth. Significant GDP gains are also projected for Greece, Poland, Portugal, and Romania, largely driven by the direct effects of their national plans, namely an immediate boost in production and employment in recipient industries, along with increased demand for inputs from domestic suppliers. The third-largest beneficiary of the RRF is Germany, in large parts thanks to spillovers from other Member States' plans. In Germany, Austria, and Denmark, spillover gains more than double the direct impact of their respective RRPs, while spillover gains triple the direct impact for the Netherlands,

([5]) During the RRP implementation period, the share of 2019-2020 CSRs reaching at least 'some progress' increased from 52% in 2021 to 75% in the 2024 CSR assessment.

([6]) Source: 'Economic impacts of the Recovery and Resilience Facility: new insights at sectoral level and the case of Germany', Michels et al. (2025)

Ireland and Luxembourg. Belgium, Finland and Sweden also see considerable benefits with spillovers nearly doubling the direct impact. In France, spillovers boost the direct impact by half of its national envelope. EU countries that are highly integrated in the Single Market benefit from the strongest spillover-to-GDP effects. The highest spillover gains relative to GDP are observed in Slovakia, Slovenia, and Czechia, due to their deep integration into EU value chains.

The RRF generates impact where it matters

33.4 million MWh/year saved in primary energy consumption (more than Denmark's annual electricity consumption)

110 655 MW installed additional operational renewable energy capacity (equivalent to almost 20% of the 2024 installed capacity of wind and solar energy)

16.2 million additional dwellings with access to very high-capacity internet networks

1.2 million enterprises supported to develop digital products, services and processes

29 million participants in RRF-supported education and training

1.6 billion users have benefitted from new and upgraded public digital services

Figure 1: RRF Impact on the ground ([7])

([7]) Data as of 31 December 2024. Source: common indicators and thematic analyses. For Denmark's annual electricity consumption, see Eurostat data on Supply, transformation and consumption of electricity in 2023. For the installed capacity of wind and solar energy, see Wind energy in Europe: 2024 Statistics and the outlook for 2025-2030 | WindEurope and EU Market Outlook for Solar Power 2024-2028 - SolarPower Europe.

The RRF Drives Structural Change ([8])

Many of the reforms included in the RRPs lead to structural improvements in Member States' economies and societies.

A quarter of RRF reforms improve the quality of institutions, a key pillar of long-term growth. These measures aim to modernise public administration, optimise taxation systems, enhance public procurement, and strengthen the judiciary, anti-fraud and anti-corruption frameworks.

17% of RRF reforms focus on improving the business environment. This includes reforms that simplify regulation, support research and development, enhance financial market functioning, and facilitate the digitalisation of businesses.

Many reforms also aim to improve skills and labour market outcomes. These include reforms to strengthen education systems, improve labour market functioning, and enhance the sustainability of social security and pension systems.

Approximately two thirds of these reforms have already been implemented, creating the adequate framework conditions for related investments.

(Source: Commission analysis, national recovery and resilience plans)

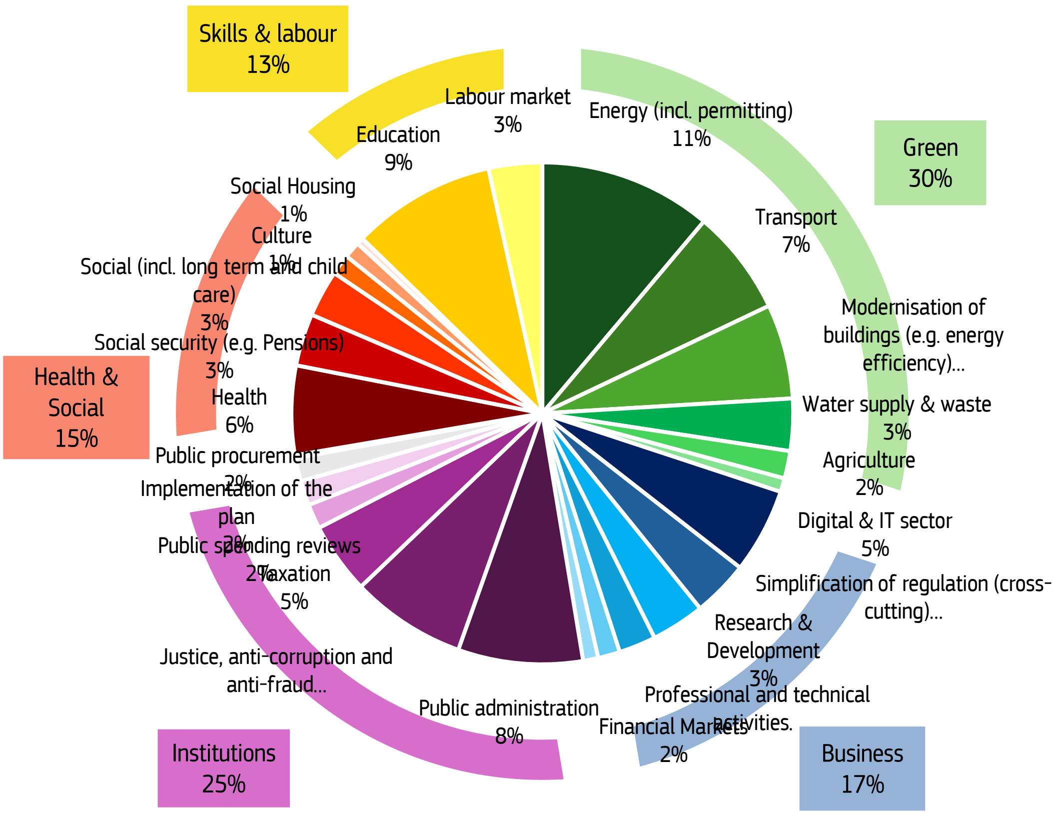

Figure 2: Overall distribution of reforms by key policy domains, in % of total number of reforms (total= 1,131) ([9])

2. THE TIME REMAINING FOR IMPLEMENTATION IS SHORT

2.1. Implementation needs to be accelerated in many Member States

The RRF is a temporary instrument, lasting until end-2026 to help Member States recover from the COVID-19 crisis and make their economies more resilient. The strict deadlines of the Facility reflect its temporary nature and its purpose to support the recovery from the COVID-19 pandemic, which in turn underpins its allocation key. These deadlines have provided a strong incentive to swiftly implement the reforms and investments in the RRPs, in line with the goal of the Facility to drive forward a fast economic and social recovery ([10]).

Overall, implementation and disbursements under the RRF have been fast, notably for non-repayable support. This reflects the speed of implementing reforms and investments, in addition to the provision of pre-financing. By the end of May 2025, disbursements had reached EUR 315 billion (49% of the total) for the achievement of 2,218 milestones and targets, pertaining to 1,145 reforms and 1,073 investments. In relative terms, 57% of the total non-repayable support and 38% of the total loan support has been paid to Member States. The latter also reflects that, when designing the initial RRPs, Member States have prioritised grant over loan disbursements and a large portion of the loan support was added only with the REPowerEU chapters in 2023 ([11]). More than 31% of all milestones and targets have been assessed by the Commission as fulfilled, and Member States have reported an additional 21% as completed.

However, while substantial progress has been made and many success stories have materialised on the ground, implementation needs to be accelerated in most Member States. Some EUR 335 billion remain to be disbursed in the next year and a half (roughly EUR 154 billion in grants and EUR 180 billion in loans). Looking ahead, more than 4,300 milestones and targets (out of 7,105) still need to be submitted for assessment by Member States.

From the outset, implementing all RRF-funded projects was going to be a challenge, given the size of RRF funding relative to both the size of the economy in major recipient countries and the amount of existing EU funding. RRF funds have also come in addition to other EU funds, and the RRF allocation represents a significant share of GDP in many Member States, reaching 16% for Greece, 13% for Croatia and 11% for Spain ([12]). While administrative capacity has been enhanced in many Member States throughout the lifetime of the RRF, including through measures contained in the plans, some constraints

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([8]) See the thematic analyses published on the RRF scoreboard to read more about the measures supported by the RRF in many different policy areas.

([9]) This categorisation builds on the NACE code classification and follows an economic sector perspective. More details on the methodology can be found in the corresponding discussion paper: Michels et al. (2025). Economic Impacts of the Recovery and Resilience Facility: New Insights at Sectoral Level and the Case of Germany, *Discussion Paper 221*, DG ECFIN.

([10]) Mid-term evaluation of the Recovery and Resilience Facility (RRF), 2024

([11]) Out of the total loan support currently committed (EUR 291 billion), EUR 125 billion (or 43%) was requested and committed only during the RRPs' revisions in 2023. Accordingly, their related milestones, targets and payments have been set mainly for the second half of the RRF period.

([12]) Calculated as share of 2024 GDP. Most beneficiary Member States recovered strongly after the COVID-19 crisis, including thanks to the RRF. This reduced the 2024 GDP shares compared to the allocations in terms of 2020 GDP, the reference year when the RRF was set up in 2021.

remain (for example, in the area of permitting, where bottlenecks should be swiftly addressed). In addition, identifying specific investment projects takes time.

The implementation of the RRF has also taken place amidst several crises. Russia's unprovoked war of aggression against Ukraine and the ensuing energy crisis, high inflation, supply chain bottlenecks and some climate-related disasters have compromised or delayed the implementation of RRF measures. The addition of REPowerEU chapters to most RRPs in the second half of 2023, together with requests for additional RRF loans, provided fresh funding for new priority measures, but also consumed significant administrative capacity in the Member States temporarily diverting the focus away from implementation. While implementation significantly accelerated in the first half of 2024 ([13]), which helped catch up on disbursements, the amount of funding to be disbursed until end-2026 remains substantial.

Administrative burden might also have affected the speed of implementation of the RRF. In the RRF mid-term evaluation, Member States considered that the Council implementing decisions were too detailed. The legally binding character of each element contained therein, including in the description of the measure, has been reinforced by a literal interpretation by the European Court of Auditors. In the view of some Member States, this has led to a higher-than-expected administrative burden in implementing the Facility and implementation delays.

Implementation delays are reflected in the recent slowdown in disbursements. Despite improvements between the second half of 2023 and 2024, the first half of 2025 has seen a marked slowdown in disbursements. While EUR 66 billion had been disbursed in the second half of 2024, only EUR 9.5 billion have been disbursed in the first five months of 2025, at a time when a further acceleration would have been necessary in view of the fast-approaching 2026 deadlines.

To fully implement the RRF and reap its benefits, a significant acceleration in implementation by the Member States is needed. The current pace of implementation is not sufficient to ensure the completion of all milestones and targets by August 2026 and the disbursement of the full RRF allocation by the end of the Facility in 2026.

2.2. Delays in implementation result in costs for the European Union

Implementation delays have compounded an already backloaded implementation profile with a financial cost for the EU budget. Due to the large amounts of funding needed for the final year of implementation, the Commission needs to plan its borrowing operations from the capital markets well in advance. This is particularly relevant for the RRF borrowing, due to the significant volume of the programme and the deadline for disbursements by end-2026. Since the launch of the Facility, the Commission has borrowed funds for the RRF based on the envisaged schedule of Member States' payment requests over a 6 to 12 months horizon and has succeeded in releasing funds to them immediately after the disbursements were authorised. However, payment requests have frequently been submitted and completed with delays compared to the planned schedule, notably when Member States have submitted targeted revisions of their RRPs simultaneously.

([13]) cf. Annual Report on the implementation of the Recovery and Resilience Facility, 2024

The first half of 2025 has seen two developments that make the liquidity management exercise more challenging. First, as mentioned above, disbursements have fallen significantly below the amounts forecasted based on indications by Member States, resulting in an unexpected accumulation of large balances by the EU for a protracted period of time. Second, changes in the interest rate environment mean that cash balances are starting to generate net liquidity costs for the EU budget and loan beneficiaries, despite the Commission's active treasury management of liquidity pending the approval of disbursements. Given the concentration of expected disbursements in the final phase of the RRF, the Commission will continue to use all funding opportunities to ensure that it can continue to make payments as required.

2.3. Planning for the closure of the RRF

The RRF is subject to strict implementation deadlines, in line with its nature as temporary support instrument set up in response to the COVID-19 crisis. As a dedicated instrument designed to tackle the adverse effects and consequences of the COVID-19 crisis in the Union, supported by the extraordinary and temporary additional means in the Own Resources Decision ([14]), the RRF was created with very strict time limits that are set out in the EURI Regulation ([15]), in the RRF Regulation ([16]), and in the Own Resources Decision and cannot be derogated from.

Member States have 454 days left to deliver on the reforms and investments included in their RRPs. The RRF Regulation and the adopted Council implementing decisions provide that all milestones and targets for the implementation of reforms and investments must be completed by 31 August 2026 ([17]). In line with those provisions, any action taken after 31 August 2026 to fulfil milestones and targets cannot be taken into consideration in the assessment of payment requests. This also applies to actions taken to ensure the satisfactory fulfilment of milestones and targets covered by suspension decisions adopted before 31 August 2026 and prevents the initiation of new suspension procedures after that date. Furthermore, this means that there is no scope for adopting amendments of RRPs after 31 August 2026. All payment requests, including the management declarations, the summaries of audits carried out ([18]), and all evidence necessary for their assessment, must be submitted by 30 September 2026 ([19]). The Commission will then assess the satisfactory fulfilment of milestones and targets included in the last payment requests in line with the

([14]) Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom, OJ L 424, 15.12.2020, ELI: http://data.europa.eu/eli/dec/2020/2053/oj

([15]) Council Regulation (EU) 2020/2094 of 14 December 2020 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis, OJ L 433I, 22/12/2020, ELI: http://data.europa.eu/eli/reg/2020/2094/oj

([16]) Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility, OJ L 57, 18.2.2021, ELI: http://data.europa.eu/eli/reg/2021/241/oj

([17]) Articles 18 and 20 of the RRF Regulation and Article 2(4) of the respective Council Implementing Decisions

([18]) In line with Article 22(c) of the RRF Regulation

([19]) Article 6 of the RRF Financing Agreements and Article 7 of the RRF Loan Agreements

Framework for assessing milestones and targets under the RRF Regulation published on 21 February 2023 ([20]). All payments must be made by 31 December 2026 ([21]).

Figure 3: Timeline of the RRF closure

3. GUIDANCE FOR MEMBER STATES TOWARDS 2026

Given the implementation delays and the upcoming 2026 deadlines under the RRF, this section provides guidance to Member States on how to further streamline their RRPs, which options to consider when revising them, and how to plan ahead for the submission of the last payment requests in 2026 ([22]).

All revised RRPs must continue complying with all assessment criteria laid down in the RRF Regulation. This is to ensure that the plans continue supporting Member States in addressing their specific needs, that at least the funds required under the RRF Regulation are allocated to the green and digital transition, that the do-no-significant-harm principle is adhered by, and that the financial interests of the Union are protected. In this context, Member States should also review the implementation state of their projects with a positive climate coefficient and ensure that their reporting to the Commission is up to date ([23]).

3.1. Streamlining RRPs

Member States should comprehensively review their RRPs as soon as possible to ensure all milestones and targets can be implemented by the 31 August 2026 deadline. Only measures that are certain to be fully implemented by this deadline should remain in

([20]) Annex I to the Communication from the Commission to the European Parliament and the Council Recovery and Resilience Facility: Two years on A unique instrument at the heart of the EU's green and digital transformation, COM(2023) 99 final, 21 February 2023

([21]) Article 24 of the RRF Regulation, *see* also Article 3(9) of Council Regulation (EU) 2020/2094 of 14 December 2020 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis and the exceptions mentioned therein

([22]) The guidance in this section will be complemented with additional technical guidance for Member States on the 'closure' of the RRF. In preparing for the end of the RRF, the Commission will provide detailed guidance on all operational aspects linked to the closure of the Facility, including on clearing of pre-financing, reporting and the protection of the financial interests of the Union.

([23]) The reporting on the implementation of these measures is lagging behind. Given that the Commission relies on data on the reported green expenditure from Member States for the issuance of NextGenerationEU Green Bonds, Member States should swiftly report on relevant expenditure incurred and ensure timely reporting going forward.

the plans. Measures for which this cannot be guaranteed should be removed to avoid the decommitment of large amounts of RRF funds. Priority should be given to securing the grants allocation. To leave sufficient time for the implementation of all milestones and targets and the assessment of all payment requests, the Commission urges Member States to undertake such plan revisions as soon as possible and, in any event, by the end of 2025. Failure to carry out such revisions will lead to increased risks of non-implementation of RRF measures and thus decommitment of funds under the RRF.

These last plan revisions should also be used to review the wording of measures, milestones and targets to ensure that they focus on essential elements only. The goal should be to facilitate the implementation and assessment of the implementation of the RRPs, and reduce administrative burden, while preserving the ambition of the plan and continuing complying with the requirements of the RRF Regulation. First, following Member States' requests, the Commission will propose to the Council to remove from the Council implementing decisions any ambiguous or unclear language, or any specification that exceeds the requirements needed to demonstrate fulfilment of a measure. Second, Member States should reconsider the inclusion in their RRPs of minor reforms which do not contribute to addressing CSRs. Third, given the fast-approaching deadline for the completion of measures, where appropriate, intermediary milestones and targets should be removed to focus on final outputs. Fourth, where possible, Member States are encouraged to amend their plans to advance any already achieved milestones and targets to payment requests in 2025 in order to reduce the size of payment requests in 2026. When streamlining their RRPs, Member States should ensure that all RRF assessment criteria continue to be met, including that the plans continue addressing all or a significant subset of relevant CSRs, allocate sufficient funds to the green and digital transition, respect the do-no-significant-harm principle and ensure the protection of the financial interests of the Union, as reflected, where relevant, in audit and control milestones. The ambition of rule of law reforms should be maintained. The Commission will work together with Member States to help in this streamlining exercise, with a view to ensuring equal treatment and consistency across plans. The Commission will discuss with the Member States bilaterally and multilaterally and will provide concrete examples on how to streamline and simplify, and discuss whether further options may be pursued by the Member States, beyond those listed below, in particular contributing to well identified projects serving digital priorities, such as artificial intelligence (GigaFactories, AIFactories), cables and chips, as well as to research and innovation priorities.

3.2. Possible options when amending RRPs

When amending their RRPs, Member States are encouraged to explore all available options to safeguard their RRP allocation, in particular for the non-repayable support component, while ensuring that the supported reforms and investments continue to deliver a high level of performance in line with the EU priorities. New investments should be easily shown to be compliant with the relevant legal requirements. To this end, the following options can be considered:

- **Scaling up existing measures**

Member States should consider the possibility to scale up measures where implementation is going well, based on proven or likely demand. This could include investments for which delivery could be increased or measures with an already established overperformance.

- **Cutting down oversubscribed plans or downscaling the loan envelope**

In case the total estimated costs of the RRP are higher than the financial allocation, measures supported by RRF non-repayable support that are no longer implementable can be removed without being replaced, for an amount up to the oversubscription. In this case, the total non-repayable support under the RRF will remain unaffected.

For Member States receiving loan support under the RRF, if grant-funded projects need to be removed, loan-funded measures can be moved to the non-repayable support compartment. This would allow to safeguard the grant amount, while reducing part of the loan support, unless compensated by new or upscaled loan-funded measures.

Additionally, many RRF investments financed by loans are demand-based and may not receive as much demand as originally intended. These measures can thus be downscaled to match the effective demand and take up only the loan amount that is needed.

- **Splitting RRF projects for continuation with national or other EU funds**

Projects that are no longer achievable by August 2026 can be downscaled to only retain the elements to be financed under the RRF that can be implemented within this timeframe. The part that remains financed under the RRF should constitute a standalone investment in the RRP. This means that the 'retained' elements should not be limited to intermediary steps such as the launch of a call for tender. The rest of the project could then be implemented by national or, if eligible, other EU funds, on a longer timeline. The recent mid-term review of cohesion policy also encourages Member States to identify such RRF projects ahead of the amendments of the cohesion policy programmes ([24]).

- **Financial instruments and grant schemes**

The RRF can support establishing an independently managed instrument to incentivise private investment. Under such investments, the milestones in the RRP would cover (i) the transfer of funds to the implementing partner upon signature of an implementing agreement and (ii) the signature of contracts with the final beneficiaries for the use of the totality of the funds transferred. To introduce such a financial instrument or grant scheme, Member States should determine the market failure they seek to address and the related market demand, ensure that award decisions by the implementing partner are independent from the government and that the financial management is separate from the Member State, as well as examine the implementing partner's operational capacity to roll out such an instrument.

- **Transfers to InvestEU**

Member States can transfer funds to the InvestEU Member State Compartment for an amount up to 4% of their total RRF allocation and an additional 6% for measures contributing to the Strategic Technologies for Europe Platform (STEP) objectives. The final milestone in the RRP would be the approval of all investment operations by the InvestEU Investment Committee by 31 August 2026. Given the various steps of the process, Member States seeking to transfer RRF funds to InvestEU must submit a revised RRP as soon as possible.

([24]) See communication-mid-term-review-2025_en.pdf

- **Equity injections in National Promotional Banks and Institutions (NPBIs)**

The RRF can support capital injections into NPBIs (or their subsidiaries), in particular to support projects in line with EU strategic priorities, to the extent that those address identified market needs and provided that the NPBI has capacity to expand its activity and that its investment policy is aligned with the policy objectives of the RRF. The specific milestones for such equity injection would be: (i) the subscription of all additional paid-in capital by the Member State, (ii) the adoption of a revised investment policy of the NPBI on how the increased equity will be utilised, and (iii) where needed, the entry into force of all the necessary changes to the governance as well as audit and control framework of the institution. Such an equity injection can involve broadening the mandate of the NPBI to activities aligned with the objectives of the RRF and EU priorities, such as industrial decarbonisation, energy transition, affordable housing, access to capital or security and defence.

- **Contributions to the European Defence Industry Programme (EDIP)**

The RRF could support voluntary national contributions to the future European Defence Industry Programme (EDIP). The contribution to EDIP in such a case would be considered an RRF investment. Specific projects would subsequently be selected and supported under EDIP, for the benefit of the Member State concerned, with implementation occurring over a longer time horizon. The RRF measure would include a milestone on the signature of a contribution agreement and the transfer of funds to EDIP and would clarify what type of activities under EDIP would be funded. For this option to work, a provision in the EDIP Regulation will need to ensure that RRF-supported voluntary contributions are used for the benefit of the Member State concerned. The Commission invites the co-legislators to introduce such a provision in the EDIP Regulation during the trilogues.

- **Contributions to EU programmes for satellite communications**

The RRF can support contributions by Member States to the development of components of the Union Space Programme or of the Union Secure Connectivity Programme ([25]). Such contributions would be considered an RRF investment. The Union Space and Secure Connectivity programmes enhance the Union’s strategic autonomy, technological non-dependence and resilience, and contribute to security and defence. In particular, the Union Secure Connectivity Programme also aims to provide reliable, secured and cost-efficient governmental satellite connectivity. These programmes underpin EU secure satellite projects such as Galileo (satellite navigation), GOVSATCOM or IRIS² (satellite communication). Under the RRF, Member States can make voluntary contributions to such programmes, where the contribution agreement between the Commission and the Member State would warrant that the Member State’s contribution will be used under these programmes for the benefit of the Member State concerned. The RRF measure would include a milestone on the signature of a contribution agreement and the transfer of funds to the programme in question.

3.3. Prepare for 2026 payment requests

2026 will be a crucial year for payments, with short timelines and a substantial impact on resources for both Member States and the Commission. As the deadline for

([25]) Regulation (EU) 2023/588 of the European Parliament and of the Council of 15 March 2023 establishing the Union Secure Connectivity Programme for the period 2023-2027 submitting the last payment request is 30 September 2026, with disbursement by 31 December 2026, the assessment period will be extremely short. Combining this with the likely high number of milestones and targets to be assessed, it will be crucial to ensure an effective and smooth assessment process.

Member States are encouraged to plan ahead and ensure the robustness of the evidence provided in due time, to limit issues arising during the assessment. The adoption of payment decisions within the deadline will only be possible if Member States submit sufficiently complete payment requests. Failure to provide evidence showing the fulfilment of all requirements of milestones and targets will inevitably result in decommitments of funds. All the necessary evidence to demonstrate the satisfactory fulfilment of milestones and targets that are part of the last payment request will have to be provided by 30 September 2026, as there will be extremely little time for exchanges between the Commission services and Member States authorities during the assessment period of the last payment requests. In that context, evidence should be informally shared with the Commission services as soon as ready, even before the formal submission of payment requests. This is particularly relevant in the case of milestones and targets that are assessed via sampling, where experience has proven that several exchanges between the Member State and the Commission are needed to establish satisfactory fulfilment.

Member States and the Commission should also ensure that sufficient resources are allocated to processing the submission of the last payment requests. In most Member States, the number of milestones and targets to be processed in 2026 will be considerably higher than in any previous year. Given these exceptional circumstances, the Commission services working on the RRF and on the Technical Support Instrument (TSI) are joining forces to ensure that sufficient resources are available to process the last RRF payment requests. Member States are encouraged to adjust their resources as necessary and possible to ensure they have the administrative capacity to pave the way for a successful implementation of their RRPs in line with the legal deadlines. The Commission will continue to closely accompany Member States in all steps to implement their RRPs and submit the relevant payment requests.

4. CONCLUSION

With the RRF, the EU has taken an unprecedented and effective step in collectively strengthening the recovery, resilience and competitiveness of its economy and society in response to the COVID-19 pandemic. Faced with one of the worst crises in its history, the EU bounced back quickly while investing in a more sustainable and prosperous future for its citizens and businesses. Over the past four years, much has been accomplished despite a war on the continent and unexpected energy and trade shocks. Member States have implemented ambitious structural reforms, covering justice and pension systems as well as labour markets, public procurement and many other sectors. Thanks to RRF-supported investments, the EU’s energy supply is cleaner and safer, the public transport network is stronger and more effective, citizens benefit from better public services and infrastructure, businesses are more digitalised and competitive, and benefit from a more skilled labour force.

To allow the RRF to deliver its full potential, all efforts are now needed to accelerate implementation and ensure full disbursement of all committed resources. All Member States are encouraged to engage in a systematic review of their RRPs to streamline and simplify them, while ensuring that they continue complying with all assessment criteria laid down in the RRF Regulation. As implementation accelerates, intergenerational fairness remains at the core of NextGenerationEU.

From the onset, the RRF was set up as a temporary instrument ending in 2026. As the end of the instrument is now within sight, the Commission stands ready to work with Member States to ensure a smooth and successful closure of the instrument. With 454 days left for implementation, the time to act and deliver is now.