European Commission - Questions and answers

Questions and answers on the Commission's guidance on the implementation of NextGenerationEU – The road to 2026

Brussels, 4 June 2025

Why is this Communication published today?

The Recovery and Resilience Facility is a temporary instrument at the heart of NextGenerationEU. This Communication is adopted today because the end of the Recovery and Resilience Facility (RRF) next year is approaching, and a lot remains to be done.

The implementation deadlines are enshrined in the RRF Regulation, the European Union Recovery Instrument (EURI) Regulation and the Own Resources Decision (ORD).

Member States have until 31 August 2026 to complete all milestones and targets, and the Commission has until 31 December 2026 to make all payments. This means that only one year and a half is left for implementation. To ensure the RRF remains a success, the time to act is now.

With this Communication, the Commission clarifies the actions that Member States should take to successfully finalise the implementation of their recovery and resilience plans.

The Commission is prepared to assist Member States in revising and streamlining their plans, making implementation easier while ensuring that the plans remain aligned with the Regulation's requirements.

What exactly are the deadlines for RRF implementation that are mentioned in this Communication?

The deadline to complete all milestones and targets is 31 August 2026:

- This means that any action taken by Member States after that date cannot be considered for the assessment of milestones and targets.
- This also applies in the context of payment suspensions (partial payments). No payment suspensions can take place after 31 August 2026 and any additional action taken to fulfill suspended milestones and targets after this deadline cannot be taken into consideration.
- Similarly, amendments of recovery and resilience plans cannot be adopted after 31 August 2026.

The deadline for Member States to submit the last payment request, including all evidence necessary for the assessment, is 30 September 2026.

The deadline for the Commission to make payments is 31 December 2026. This means that no payments will be made in 2027.

Is the Recovery and Resilience Facility fulfilling its goal to make the European economies and their societies more sustainable and resilient?

The Recovery and Resilience Facility, which is at the heart of NextGenerationEU (NGEU), has been a game-changer in Europe's response to the impacts of the COVID-19 pandemic.

Thanks to the RRF's unique delivery model, EU funds are disbursed at a fast pace and the reforms and investments on the ground are fuelling long-term growth.

Model simulations suggest that NextGenerationEU investments alone, that is without considering the impact of reforms, are expected to increase EU GDP by 1.4% in 2026.

The facts speak for themselves:

- First, the RRF has contributed to a quick and sustained economic rebound after the pandemic, and the level of public investments remained stable (in contrast to the drop that usually follows major crises).
- Second, the instrument has helped maintain cohesion in the Union, by channelling more support to the Member States hit harder by the crisis and with more vulnerable economic conditions.
- Third, the RRF has provided a much-needed boost to structural reforms in all Member States and accelerated the green and digital transitions.

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 in a variety of areas, from justice to public administrations, from labour markets to cutting red tape in permitting and public procurement.

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, businesses are more digitalised and benefit from better infrastructure and a more skilled labour force.

What is the current state of implementation of the Recovery and Resilience Facility?

By the end of May 2025, disbursements had reached EUR 315 billion (49% of the total) for the achievement of 2218 milestones and targets, pertaining to 1145 reforms and 1073 investments.

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.

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.

However, while 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 155 billion in grants and EUR 180 billion in loans). Also looking ahead, more than 4,300 milestones and targets (out of 7,105) still need to be submitted for assessment by Member States.

Why are there implementation delays?

From the outset, implementing all RRF funded projects was going to be a challenge, given the size of RRF funding relative to the size of the economy in major recipient countries, coming on top of other EU funding.

While administrative capacity has been enhanced in many Member States, including through measures contained in the RRPs, some absorption constraints remain, and 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 ensuing energy crisis, high inflation, supply chain bottlenecks and some climate-related disasters have affected implementation and demanded adaptations to the RRPs.

To fully reap the benefits of the RRF by 31 August 2026, a comprehensive revision of the RRPs and a significant acceleration in implementation is needed by the Member States.

Why do the delays have a cost to the EU budget?

In order to rapidly disburse funds, the Commission's borrowing operations need to be planned in advance.

Delays in payment requests from Member States have resulted in the unexpected accumulation of large balances by the EU, which are starting to generate net liquidity costs due to increased interest rates and despite the Commission's active treasury management.

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.

What steps should Member States take to mitigate these delays?

To mitigate delays, 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.

These plan revisions should also be used to simplify wording where possible to facilitate implementation.

Member States should explore replacing measures which cannot be fulfilled by the deadline to safeguard their RRP allocation, in particular for the non-repayable support (grants) component.

To this end, the following options are presented in the Communication:

- Scale up existing measures
- Support the creation of financial instruments to incentivise private investment
- Transfer funds to the InvestEU Member State Compartment
- Split RRF projects for continuation with national or other EU funds
- Cut down oversubscribed plans or downscale the loan envelope
- Support equity injections in National Promotional Banks and Institutions (NPBIs)
- Support national contributions to the future European Defence Industry Programme (EDIP)
- Support national contributions to EU programmes for satellite communications

At the same time, 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 sufficient funds 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.

Will all remaining projects be implemented, and all remaining funds absorbed by the end of 2026?

With this Communication, the Commission is providing timely and clear guidance to Member States so that they take all the necessary actions to ensure a successful closure of the RRF. The time to act is now.

If Member States remain focused, and recovery and resilience plans are rapidly revised and simplified where needed, it will be possible for them to make the most out of the remaining time and financial allocations.

The Commission will continue to support Member States every step of the way.

For More Information

Communication

Press release

Recovery and Resilience Scoreboard

Recovery and Resilience Facility Regulation

Recovery and Resilience Facility website

RECOVER team website

QANDA/25/1412

Press contacts:

Maciej BERESTECKI (+32 2 29 66483)
Rüya PERINCEK (+32 2 29 94903)

General public inquiries: Europe Direct by phone 00 800 67 89 10 11 or by email