

31st informal Expert Group meeting on RRF implementation of 7 July 2025

The thirty-first meeting of the informal Expert Group on the implementation of the RRF contained presentations on (i) the Commission's Communication of the *NextGenerationEU – The Road to 2026*, (ii) best practices for RRP simplification, (iii) the EPPO's Competence and Fraud Prevention under the RRF, and (iv) the economic impacts and spillover effects of the RRF.

In its introductory remarks, the Commission highlighted the significance of the RRF and its economic impact. The Commission also noted the need to now squarely focus on bringing the Facility to a successful conclusion in 2026.

1. Presentation of the Communication “NextGenerationEU - The Road to 2026”

The Commission presented the implementation status of the Facility underlining the remaining challenges ahead of 2026, particularly relating to the number of milestones and targets (M/Ts) still to be assessed. The legal deadlines associated with the Facility were reiterated. To maximise implementation, the Commission called on Member States to revise and simplify their RRP and presented the options described in the Commission's Communication of 4 June “*NextGenerationEU – The Road to 2026*”. A detailed presentation was provided on the possibility to make voluntary contributions to EU programmes for satellite communications or the European Defence Industry Programme (EDIP).

The following points were raised:

- A couple of **Member States** inquired as to whether they could be consulted on any closure guidelines on the RRF prior to its publication. The **Commission** explained that it was preparing this document and committed to take Member States' feedback into account.
- A **Member State** sought information on the audit activities planned for 2027, with a view to adjusting staff allocation in the national administration to meet needs after 2026. A Member State also highlighted that the Commission Communication does not make reference to the work to be undertaken by Audit Authorities of the Member States, which typically commences after the milestones and targets have been achieved and implementation has been completed. The Member State requested specific closure guidance to be issued allowing for significant flexibility in both sampling methodology and audit scope, thereby facilitating the effective and timely completion of the required audit work during the closure phase. The **Commission** clarified that audit work will continue in 2027, that the closure guidance will provide more details on this point, and that the ECA might still perform audits well after 2026.
- Two **Member States** inquired as to whether payments to contractors could be performed post-2026. The **Commission** reminded the experts that the RRF is a performance-based instrument.

Member States must only ensure that all M/Ts are fulfilled by 31 August 2026. Payments to contractors could indeed take place after 2026 where warranted.

- A **Member State** requested clarity on the deadlines applicable to the suspension procedure. The **Commission** clarified that given that no action by the Member State after 31 August 2026 can be accepted, any suspension procedure initiated after February 2026 will de facto not provide Member States with the full six months period to take necessary actions as foreseen under the RRF Regulation.

2. **Presentation of best practices for RRP simplifications**

The **Commission** presented best practices for simplification, summarising guiding principles and highlighting how to shorten measure descriptions, remove and merge M/Ts, and simplify remaining M/Ts. The presentation also broached upon the impact of simplification on operational arrangements (OAs), DNSH and tagging requirements.

The following points were raised:

- **On the OAs:** Various **Member States** asked about how OAs should be simplified. The Commission clarified that the 'further specification' column (the only binding element) will be removed to transfer relevant requirements into milestones and targets, and OAs not further updated.
- **On audits:** Some **Member States** flagged that the OAs are used for audit purposes as they allow the audit authorities to know in advance what evidence to verify. A **Member State** asked how they should adjust their audit procedures in the absence of updated OAs. Another **Member State** requested formal guidance on how Member States should liaise with their independent national audit bodies and asked when the closure guidance would be available. The **Commission** noted that audit authorities will have to adjust their working methods (e.g. working on the basis of the revised text of the CID which, following simplification, should better reflect the specific type of evidence to be assessed to prove satisfactory fulfilment). The **Commission** underlined that audit activities will continue after 2026 and indicated that the closure guidance is expected to be shared with Member States in the autumn.
- **On the payment profile:** Various **Member States** asked how simplification will impact the payment profile. The **Commission** clarified that the payment profile will be adjusted as a result of simplification.
- **On sampling:** Several **Member States** requested that sampling processes be launched informally in advance. The **Commission** indicated that sharing sampling evidence in advance has always been and remains an encouraged practice.

- **On costing:** A **Member State** noted that merging M/Ts increases the risk of failure of a subpart of a final target. The **Commission** clarified that the suspension methodology provides for coefficients if parts of a merged target are not achieved.
- **On green bond reporting:** A **Member State** inquired as to whether green bond reporting would also be required for financial instruments associated with green products. The **Commission** clarified that “green bond reporting” applies to all green expenditures in RRP and remains critical. This reporting underpins the Commission’s green bond issuance and must be maintained until the completion of projects.
- **On the replacement of vague or process-oriented terms:** Some **Member States** asked for more information on what words to use to refer to completion of projects. The **Commission** answered that the guiding principle is to reflect the last stage of implementation of investments in final milestones and targets. This last stage must take account of the available evidence. Unnecessary details should be removed from the milestones and targets. It also stressed that vague wording in the CID should be avoided, and that specific vocabulary should be defined case by case.
- **On the removal of assessed CID elements:** A **Member State** inquired about the possibility to remove parts of the CID that were already assessed and mentioned in previous Commission preliminary assessments. The **Commission** explained that measures that have already been fully assessed should not be modified. However, descriptions of measures partially assessed should be simplified, and relevant requirements of the description moved to the corresponding M/Ts.
- **On the formalities to request CID revisions:** A **Member State** asked whether requests for revisions should be based on an addendum to the original RRP, in line with previous templates. The **Commission** answered that in the spirit of simplification, no specific formal template will have to be followed, provided that all necessary justification is shared with the Commission.

3. Presentation on EPPO’s Competence and Prevention, Detection and Correction of Fraud under the RRF

The **Commission** presented the different competences of EPPO and OLAF respectively, highlighting how both entities cooperate, as well as the numbers of fraud cases reported by both OLAF and EPPO in their annual activity reports and the ones notified to DG ECFIN.

The **Commission** recalled the essential role of the Member States in combating fraud, corruption and conflict of interests and closed by underlining that Member States will be required to continue implementing measures to prevent, detect and correct fraud and other serious irregularities and maintain records for 5 years following the final payment.

The following Member States took the floor:

- A **Member State** asked how it understands conflict of interest and requested clarification on how reductions are calculated. The **Commission** explained that the amount to be reduced corresponds to the amount of the contracts awarded posing problems.
- A **Member State** asked whether reporting of fraud should also apply in the case of suspicion of fraud. Several **Member States** also inquired as to what would happen if fraud cases were reported after payments were made. The **Commission** clarified that suspected cases of fraud should be reported. Reporting may take place also after the payment has been made, subject to the legal requirements under Art. 22 of the Regulation, the Financing Agreement, and the Financial Regulation.

4. **Presentation of the Economic impacts of the Recovery and Resilience Facility: new insights at sectoral level and the case of Germany**

The **Commission** presented the results of the economic impact analysis of the RRF. By leveraging artificial intelligence, the **Commission** created a new sectoral database which classifies all RRF reform and investment measures according to economic sectors.

The **Commission** explained that the RRF has a positive economic impact in all Member States, with countries such as EL, HR, ES and IT benefitting significantly as a percentage of their GDP. In addition, MS with comparatively smaller RRF envelopes in percentage of GDP, such as DE, FR, NL, AT benefit significantly from cross-border spillovers generated by other Member States' plans, with spillover impacts bringing the total impact of the RRF significantly beyond the size of their national plans.

The following points were raised:

- A **Member State** asked whether the impact of the green and digital transitions will also be analysed. The **Commission** indicated that ongoing work on the impact of the RRF is focused on the automotive sector and energy.
- A **Member State** expressed interest in seeing the analysis for other countries as well and remarked that it was expected that DE gains the most from spillover effects as these are presented in absolute terms. Besides the impact in absolute terms, **the Member State** suggested focusing on the impact on relative GDP. The **Commission** indicated that country factsheets are in development for FI, FR, DE and SK as well as for NL, AT, SE, DK, BE, IE, CZ and SI.
- A **Member State** expressed interest in the analysis on firms asking whether different scenarios have been tried considering different implementation rates of the RRFs. The **Commission** underlined that the study is based on an assumption of full implementation of the RRFs.