



**Brussels, 17 December 2024  
(OR. en)**

**17000/24**

**ECOFIN 1509  
FIN 1134  
UEM 486**

## **OUTCOME OF PROCEEDINGS**

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From: General Secretariat of the Council  
To: Delegations  
Subject: European Court of Auditors' special reports N° 13/2024, 14/2024 and 22/2024  
- Council conclusions (17 December 2024)

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Delegations will find attached the Council conclusions on the European Court of Auditors' special reports n°13/2024, 14/2024 and 22/2024, approved at the Council (General Affairs) meeting held on 17 December 2024.

## **Council conclusions on the European Court of Auditors' special reports**

**No 13/2024 "Absorption of funds from the Recovery and Resilience Facility - Progressing with delays and risks remain regarding the completion of measures and therefore the achievement of RRF objectives",**

**No 14/2024 “Green transition - Unclear contribution from the Recovery and Resilience Facility”, and**

**No 22/2024 “Double funding from the EU budget - Control systems lack essential elements to mitigate the increased risk resulting from the RRF model of financing not linked to costs”**

THE COUNCIL OF THE EUROPEAN UNION:

1. WELCOMES the publication of special reports No. 13/2024, 14/2024 and 22/2024 by the European Court of Auditors (hereafter referred to as 'the Court'). RECALLS that the Treaties confer on the Court the examination of the accounts of all revenue and expenditure of the Union and HIGHLIGHTS the role of the Court in the protection of the financial interests of the Union.
2. NOTES that the Courts' audit corresponding to special report No. 13/2024 covered the period from February 2021 until the end of 2023 and examined the design and implementation of the Recovery and Resilience Facility (RRF) to assess: (1) the state of advancement in the disbursement of RRF funds; (2) the actions taken by the member states and the Commission to ensure that funds were absorbed as planned; and (3) the challenges with regards to absorption and completion of measures in the second half of the RRF's implementation.

3. NOTES, further, that the Court's audit corresponding to special report No 14/2024 covered the period from February 2021 until February 2024 and assessed whether the design and the implementation of the RRF and the Recovery and Resilience Plans (RRPs) contribute effectively to the green transition.
4. NOTES that the Court's audit corresponding to special report No 22/2024 covered the 2014-2020 and the 2021-2027 periods for cohesion funding and the Connecting Europe Facility and the grant component of the RRF from February 2021 up to February 2024 and that the Court examined whether: 1) the legal framework clearly defined the concept of double funding for the RRF's financing not linked to costs model; 2) the Commission and member states had set up and implemented sufficient arrangements that aim to avoid double funding; 3) the selected member states had set up and implemented adequate systems to detect and correct double funding; 4) the Commission had robust systems in place to provide reasonable assurance on the absence of double funding.
5. TAKES INTO CONSIDERATION the findings and recommendations of the Court in those special reports.

6. RECALLS that the design of the RRF requires member states to fulfil milestones and targets before the submission of each payment request. UNDERLINES, therefore, that the dates of submission of payment requests do not fully capture the progress made in the implementation of the RRFs. NOTES the entry into force of Regulation (EU) 2023/435<sup>1</sup> on 1 March 2023, aimed to support investments and reforms dedicated to diversifying energy supplies and to increase the resilience, security and sustainability of the Union's energy system, leading to the modification of the Recovery and Resilience Plans of most member states over the course of 2023 to include REPowerEU chapters. OBSERVES that disbursements of RRF funds to member states have accelerated after the finalisation of these revisions, albeit with varying state of advancement in member states.
7. UNDERLINES that the RRF is a performance-based instrument, with payments linked to the satisfactory fulfilment of milestones and targets and not linked to actual costs. HIGHLIGHTS, therefore, that Regulation (EU) 2021/241 ("RRF Regulation")<sup>2</sup> neither subjects payments to controls on the costs actually incurred by member states or final recipients nor provides for the ex-post review of incurred costs.

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<sup>1</sup> Regulation (EU) 2023/435 of the European Parliament and of the Council of 27 February 2023 amending Regulation (EU) 2021/241 as regards REPowerEU chapters in recovery and resilience plans and amending Regulations (EU) No 1303/2013, (EU) 2021/1060 and (EU) 2021/1755, and Directive 2003/87/EC

<sup>2</sup> Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility

8. ACKNOWLEDGES the Commission's replies to the findings and recommendations of the Court and TAKES NOTE of the Commission's view that a number of those recommendations go beyond the provisions of the RRF Regulation. UNDERLINES the importance of cooperation between the institutions towards a common understanding of the legal framework in order to facilitate implementation.
9. CONSIDERS that the conclusions and recommendations of the Court offer useful insights for the design of future potential instruments. IS OF THE OPINION, however, that those conclusions and recommendations should not prejudice future discussions on the next Multiannual Financial Framework.
10. NOTES the significant administrative burden related to the implementation of the Facility within member states. ENCOURAGES the Commission to continue monitoring the implementation of the RRP's and providing guidance to member states, where necessary, to address any remaining uncertainties. INVITES the Commission, in close cooperation with member states to continue identifying concrete ways to streamline the reporting process, avoid duplication and reduce the administrative work related to the implementation of the instrument, in the framework of Regulation 2021/241, while ensuring the adequate protection of the financial interests of the Union.
11. REAFFIRMS the importance of focusing on the swift implementation of member states' national RRP's and the REPowerEU chapters therein in accordance with the existing legal framework.