IKF 2025

Exploring some known and unknown financial aspects

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Interact

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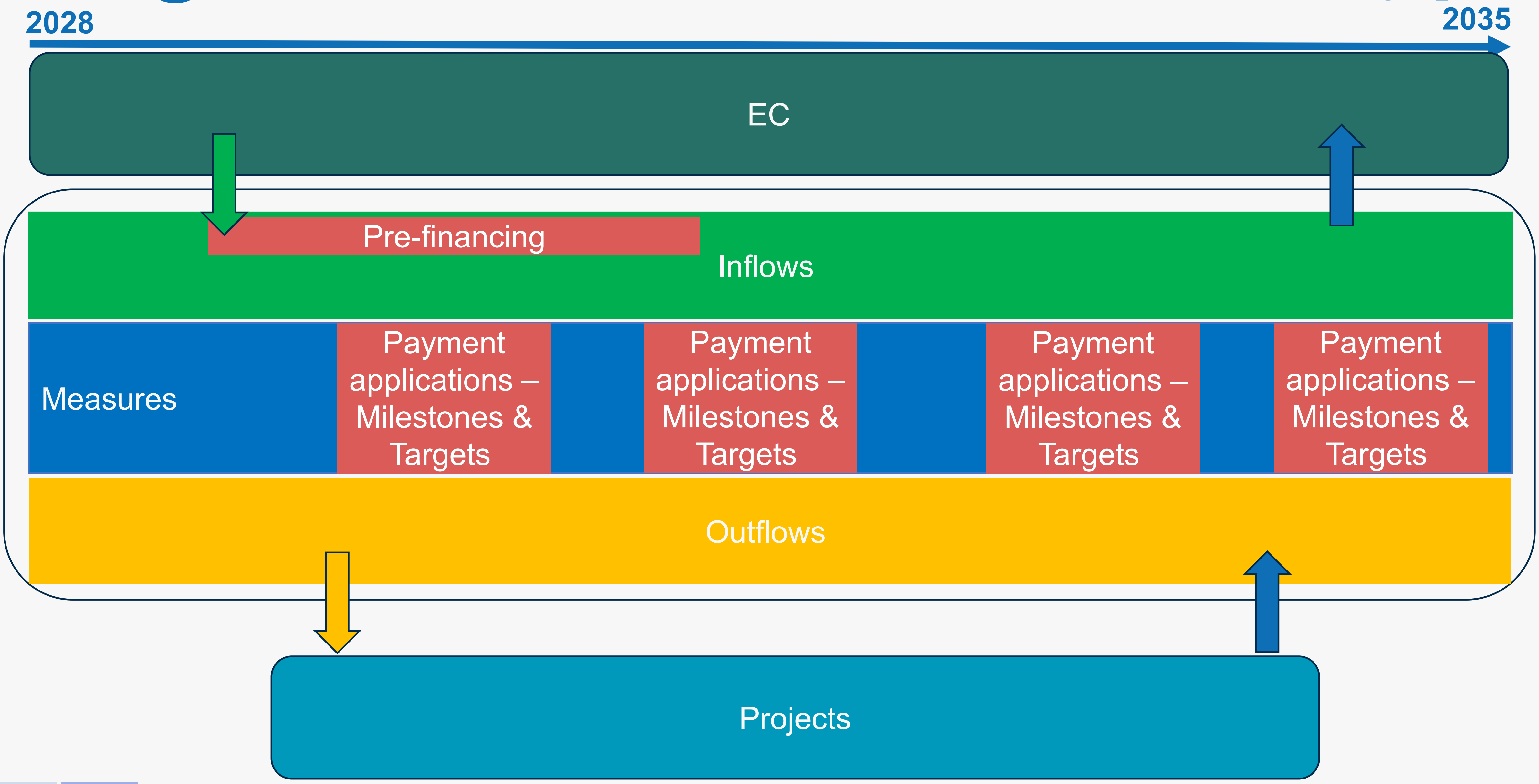
Topics for today
Post27 perspective

- Financial flows
- Financial horizontal rules
- Current simplification and harmonisation measures

Programme financial flows in 2028-2034



Inflows in 2028-2034

2028 → 2035

Budget (from MFF):

2028	2029	2030	2031	2032	2033	2034
0 %	17 %	17 %	18 %	18 %	15 %	15 %

Decommitment rules:
a) N+1 (or N+10 months)
b) pre-financing and sum of payment applications count

Budget & decommitment

Inflows

Pre-financing rules
a) 4% in 3 consecutive years → 12 %
b) Cleared at closure
c) Interreg Plan setting the level for Global Europe Instrument

Payment application rules
a) Based on fulfilment of milestones and targets
b) Max 6 times in financial year
c) Last submission by 31.10.
d) 60 days to pay by COM
e) Tied to submission of annual assurance package (from 2nd year)
e) Payment ceiling at 95%

Irregularities, suspensions, financial corrections
a) Financial horizontal rules not respected
b) Unfulfilled M/T
c) Payments stopped and/or extrapolated or flat-rate corrections applied

Measures and flows in 2028-2034

Payment for achievement certain milestones & targets (M/T) defined as payment triggers for measures:
a) Procedural milestones
b) Interim targets
c) Final targets

Technical assistance – Flat rate 8% (10%)

2028 → 2035

Measures: Payment appl – Milestones & Targets | Payment appl – Milestones & Targets | Payment appl – Milestones & Targets | Payment appl – Milestones & Targets

Measure 1 M M M M M T

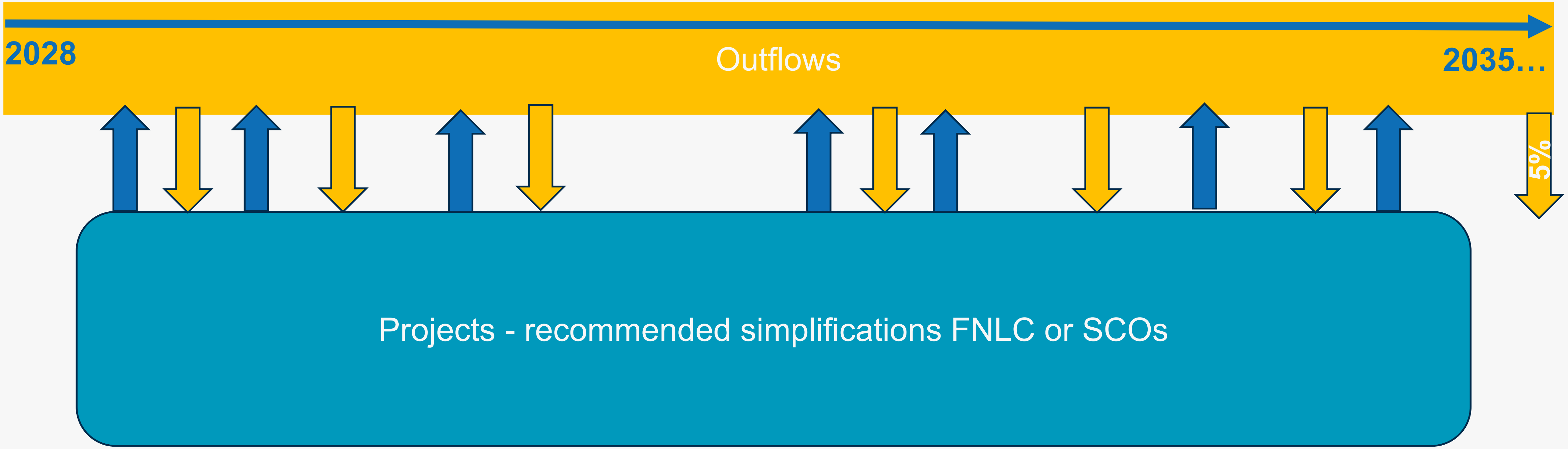
Measure 2 M M M M M T

Measure 3 M M T

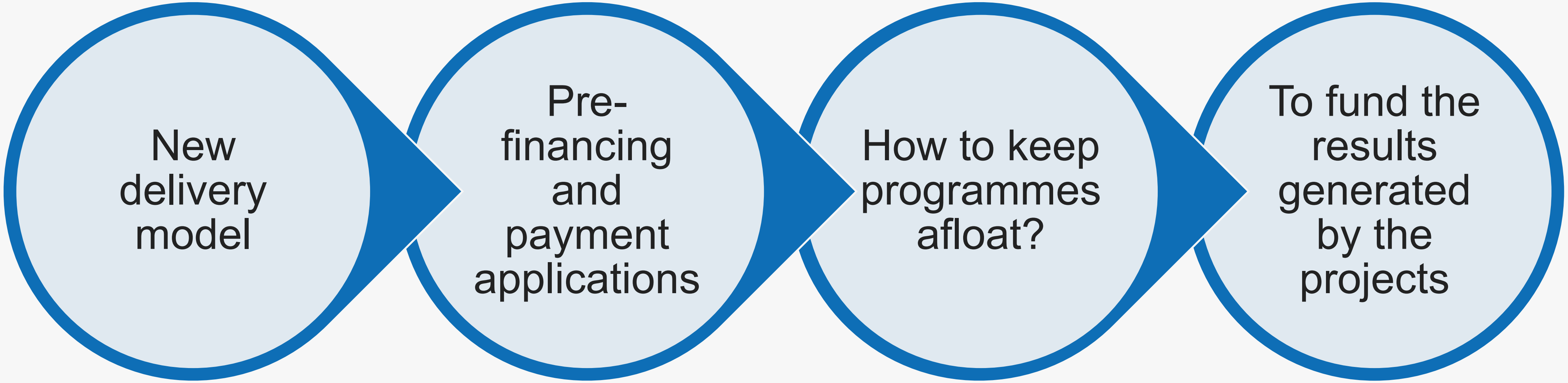
Σ

When a milestone or a target is a payment trigger - how to calculate the value of it?

Outflows in 2028-2034



Programme financial flows in 2028-2034



Programme financial flows in 2028-2034

- New delivery model
- Pre-financing, payment applications and decommitment
- How to determine pay-out values of milestones and targets?
- Identifying factors we need to consider

Oversimplified steps to plan financial flows

Inflows

- Set pay-out value per measure
- **Split to M/T (payment triggers) and define pay-out values: procedural milestones, interim targets, final targets**
- Sum up annually
- Compare to decommitment targets
- Calculate funding available (pre-financing and payment applications; 95% ceiling at the end of the period)

Outflows

- Plan the payments to projects: FNLC or SCOs
- Sum up annually
- Compare to funding available

Financial horizontal rules
Art 58 NRP

1. The Member States shall take appropriate measures to protect the financial interests of the Union and to ensure that the use of funds in the implementation of the Plans complies with the applicable law, including applicable public procurement and State aid rules. They shall in particular ensure the prevention, detection, correction and reporting of irregularities, including fraud, corruption and conflicts of interest.

Horizontal rules
(from Financial regulation)

Sound financial management

- Regulated in FR Art. 63.1 FR

Arachne+ and Beneficial Owners

- Provision of data mandatory under FR Art 36(6)
- recipient, operation, beneficial owners

Prevention, detection, correction of irregularities and fraud

- Regulated in FR Art. 63.2(c)

Conflict of interest

- Regulated in FR Art. 61

Horizontal rules: State aid

General Block Exemption Regulation

- Current Reg. valid until end 2026
- Article 20 and Article 20 a based on thresholds (EUR 2,2 million, EUR 22 000 resp.)
- Public consultation finished October 2025
- New reg. needs to take into account PBO

De minimis

- Aid where the gross grant equivalent of the aid can be calculated ex ante
- Based on threshold (EUR 300 000)
- Applicable until end 2030

Horizontal rules: Public procurement

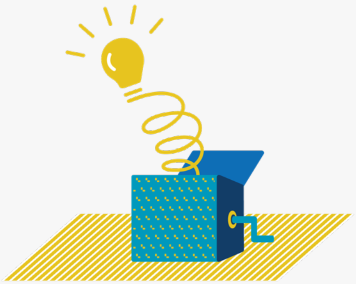
Recent and future developments

- **Stronger** link with the Green Deal: inclusion of green and social award criteria
- **Specific criteria**: social and environmental criteria for Green Public Procurement
- **Emphasis** on e-procurement, market consultation, and innovation partnerships
- **Encourages** joint procurement between EU institutions and Member States to increase efficiency
- **Regulatory reform:** the Commission is working on a reform proposal for public procurement directives – *expected to be published in the first half of 2026*

Future of current simplification & harmonisation

SCOs

- Mentioned
- No methodology

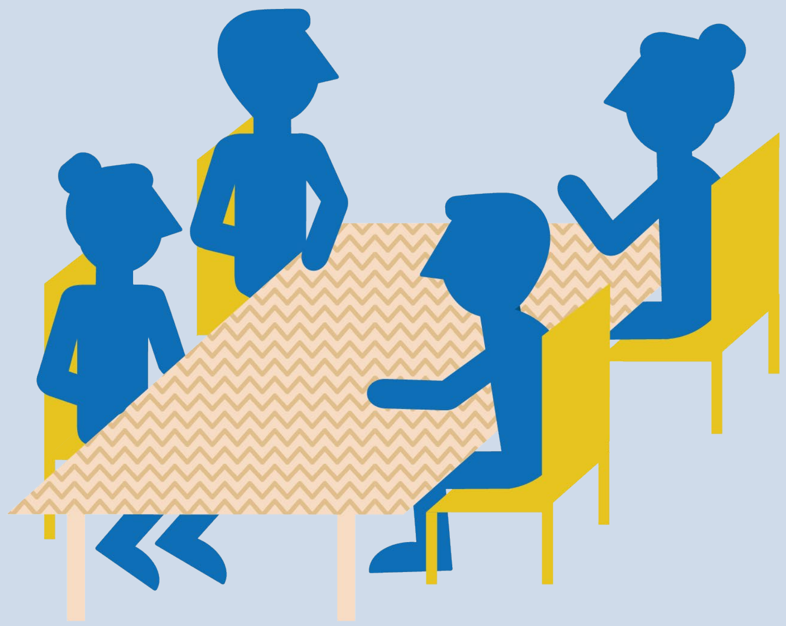


Eligibility of expenditure

- Not at all mentioned
- MS have national legislation as a resort – but Interreg not

Group work
and reporting back to plenary

- Financial flows, especially pay-out values
- Financial horizontal rules – simplification potential to reduce administrative burden
- Continuity of current simplification and harmonisation measures



Cooperation works

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