

An elementary Performance- based approach (P-BA) experience

Interact Knowledge Fair, Dubrovnik, November 4-5th, 2025

Interact



Co-funded by
the European Union
Interreg

Session objectives



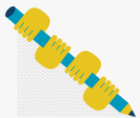
To introduce/ brush up the basics



To help you with the next steps



Performers and Intervention logic WGs plans



To exchange on what is coming in 2026



Intro to more advanced discussions in following sessions and meetings

Performance-based approach intro



EC - Interreg delivery model in 2028-2034



**Recovery & Resilience Facility (RRF) &
Financing not linked to costs (Art 95 CPR)**

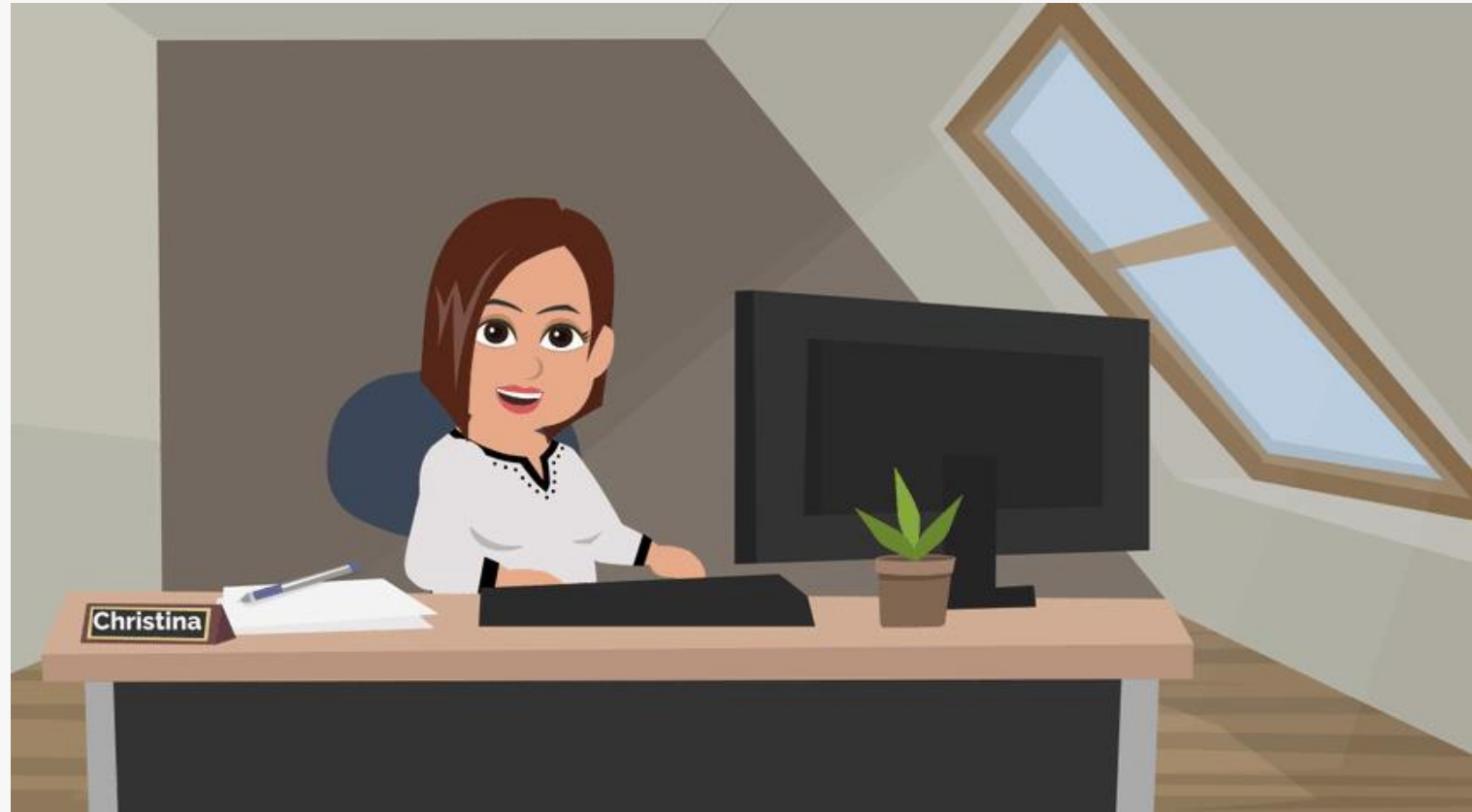


**Programme specific SCOs
(Art 53.3 FEV & Art 94 CPR)**

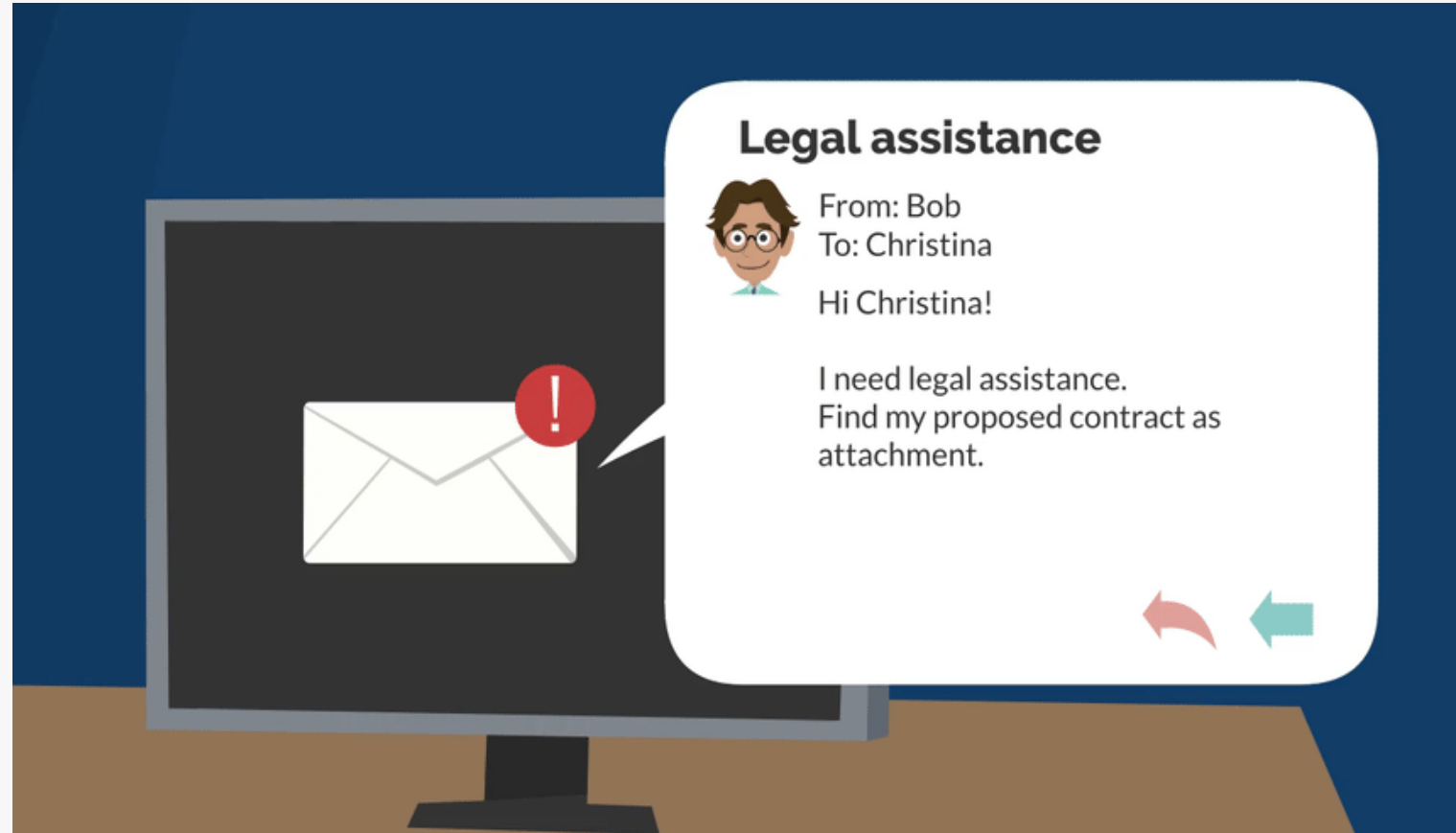


Performers working group

Meet Christina.
Christina is a lawyer.



One day she's contacted by Bob.
He wants her to take on his case.



Christina reviews the case.

On the one hand, she believes that Bob is in the right and that there is a strong case to be made.



On the other hand, the contract he is offering her is different from what she's used to.

The total value of the proposed contract is **€10K** which is similar to what she usually charges.

However...



She would receive €1K up front upon the signing of the contract.

Then she would receive €2K at the start of the trial.



She will only receive the remaining **€7K** if Bob wins the case.

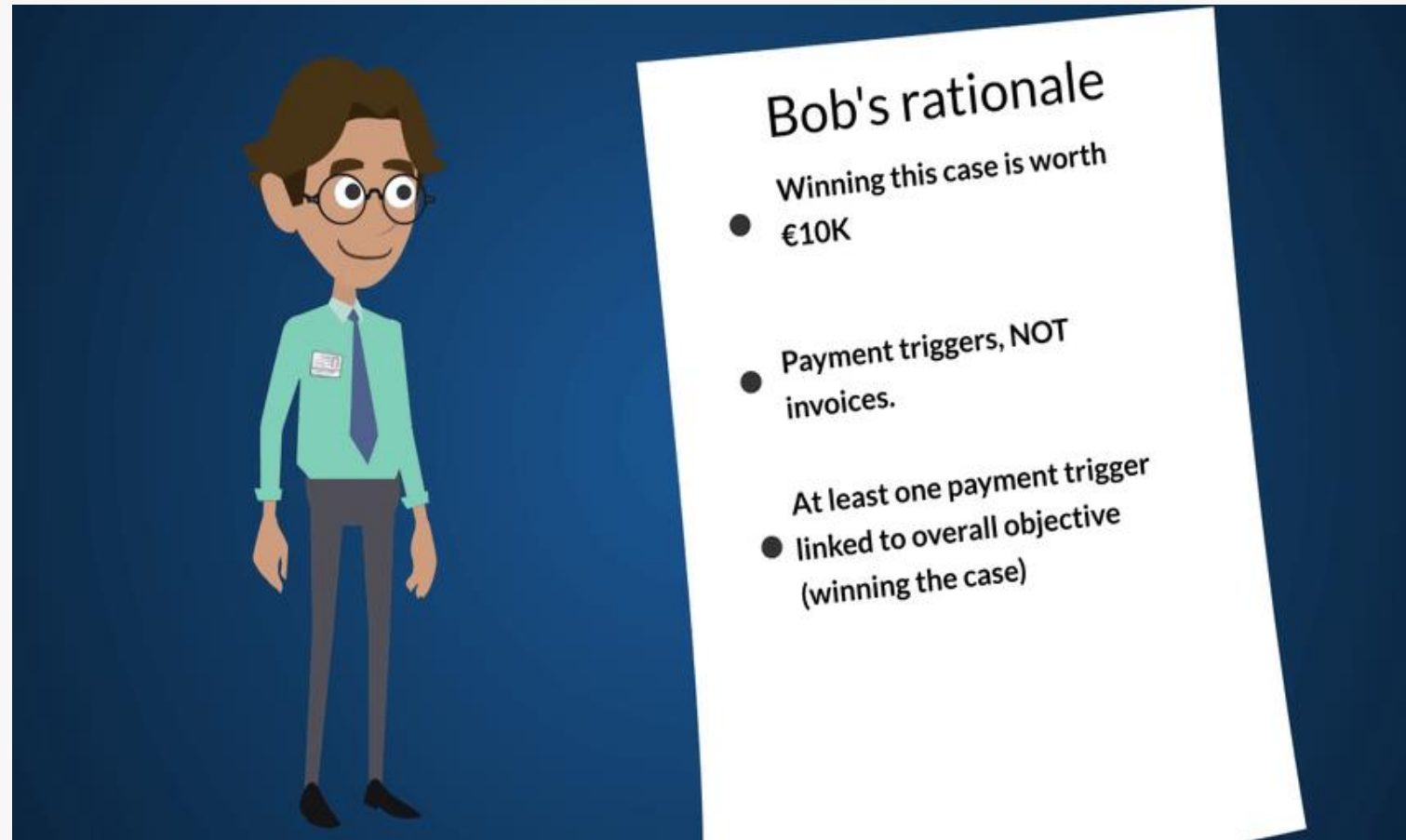


Before making a decision

1. She needs to check if the contract is **fair** - i.e. it balances Bob's objectives with Christina's needs.
2. What are the **risks** and how they can be mitigated.

But first let's hear from Bob about his rationale for offering Christina this type contract.

This is Bob's rationale



Bob's rationale

- Winning this case is worth €10K
- Payment triggers, NOT invoices.
- At least one payment trigger linked to overall objective (winning the case)

P-BA principles

Payment value determined ex ante.

Payment released upon achievement of certain pre-defined payment triggers.

At least one payment trigger linked to overall objective.

Christina has some concerns:

Is it worth it?:

- "How likely it is I'll be paid?"
- "Is the reward worth the risks?"

Is it practical?:

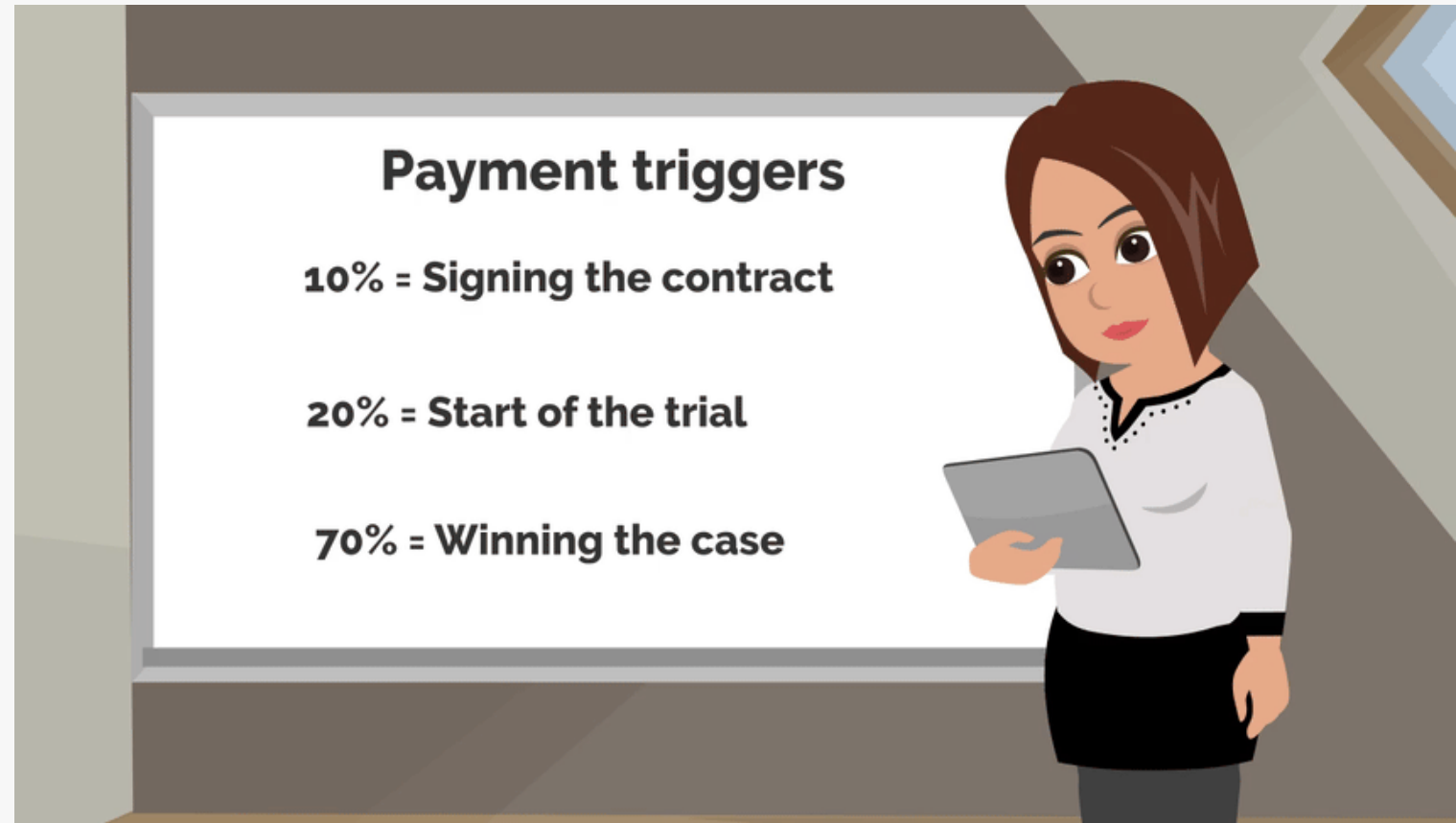
- "Will the timing of the payments give me the cashflow I need to implement the contract?"



Christina starts by examining the risks.
She does this by comparing this new
contract with the contracts she's used to.



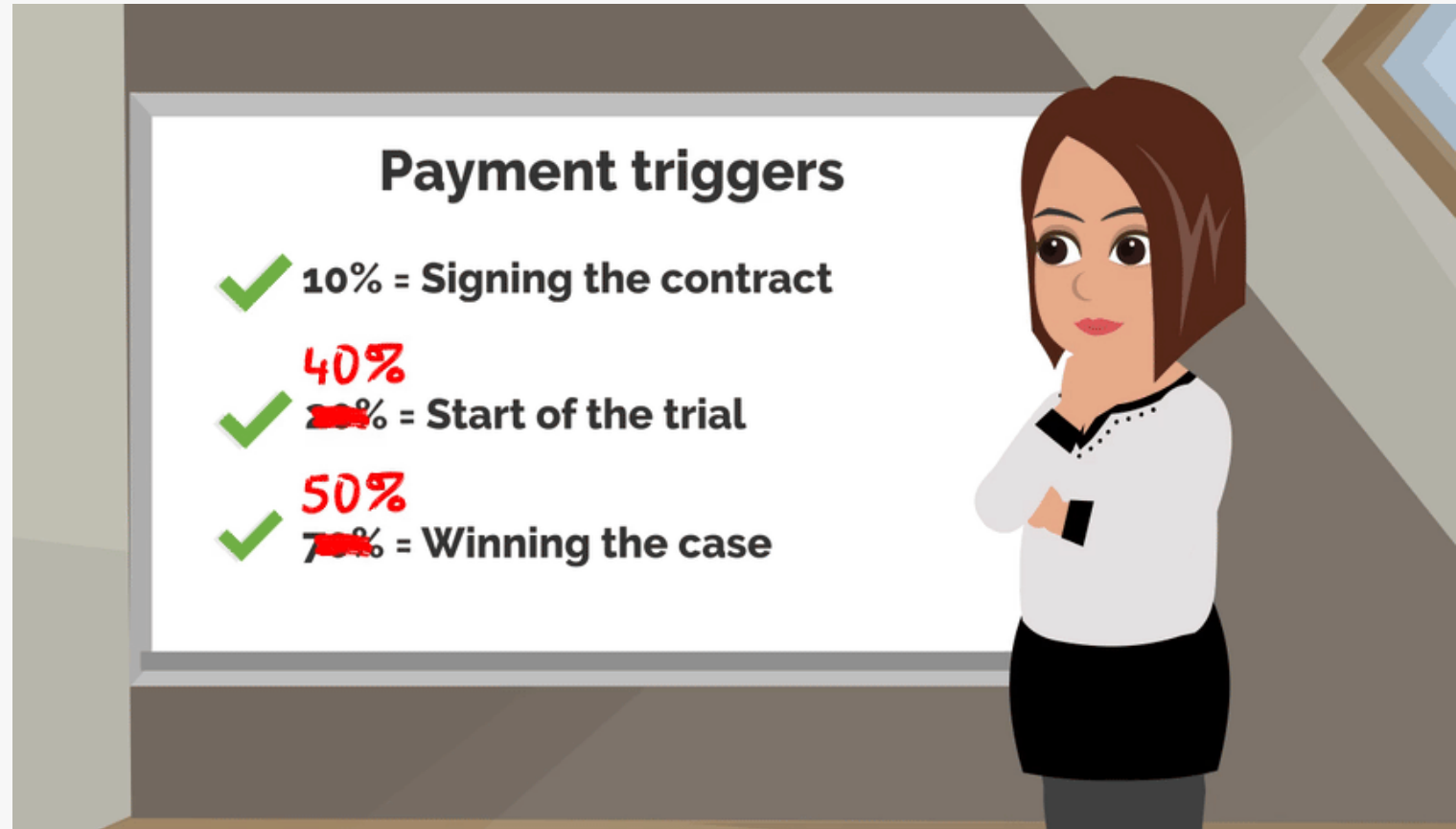
Christina's now lists the payment triggers and considers how much they are within her control to deliver.



Christina is conflicted...



Taking these things into account, this is Christina's proposal.



She thinks that, if Bob accepts her proposal, the risk will be now more evenly shared between her and Bob.

However, she still has concerns that with her current cash flow, she may not be able to implement the current contract.

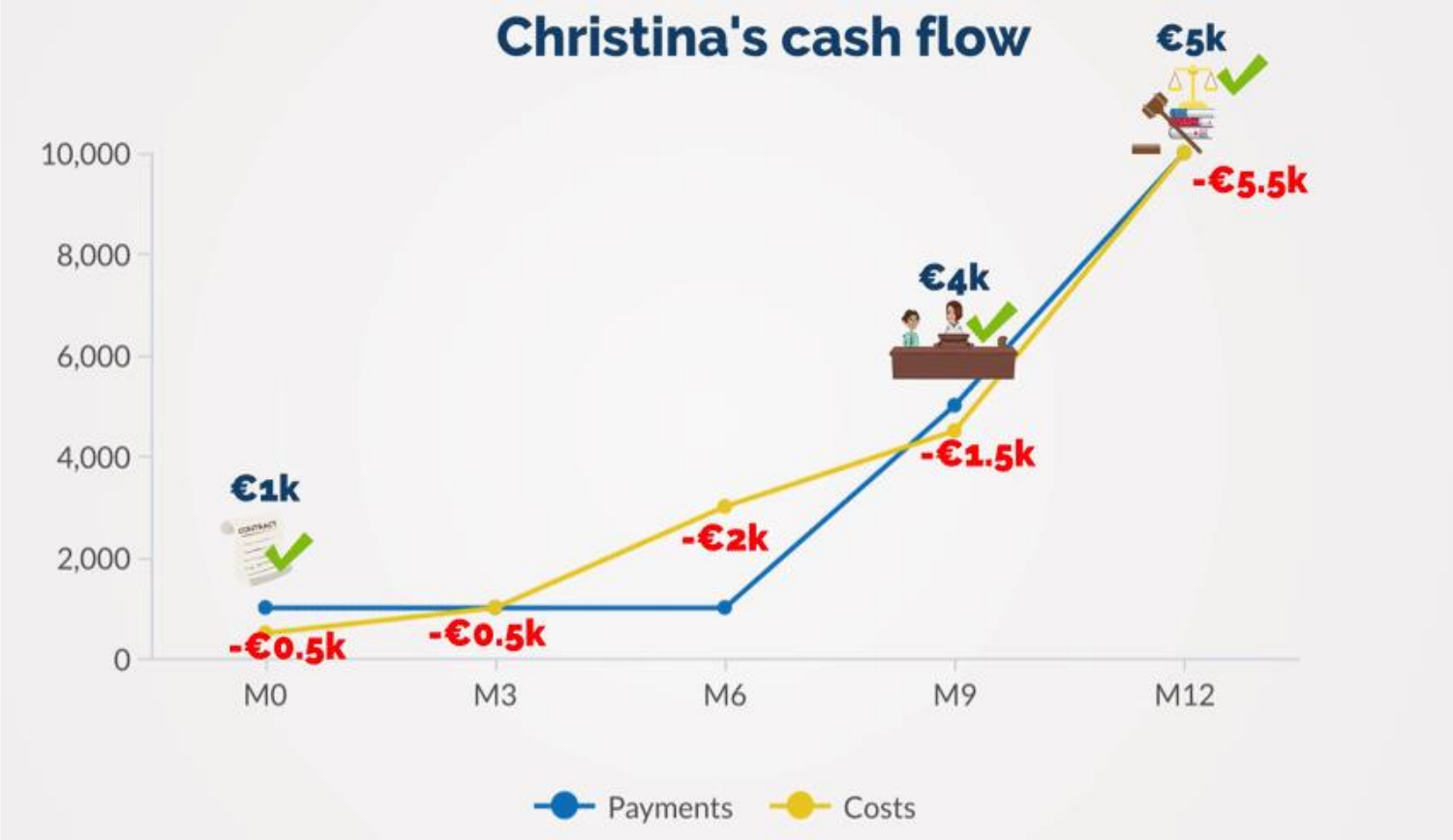


To work out her cash flow needs, she starts by estimating the timing of the payment triggers in the proposed contract.

The timing is based on her experience with previous cases.



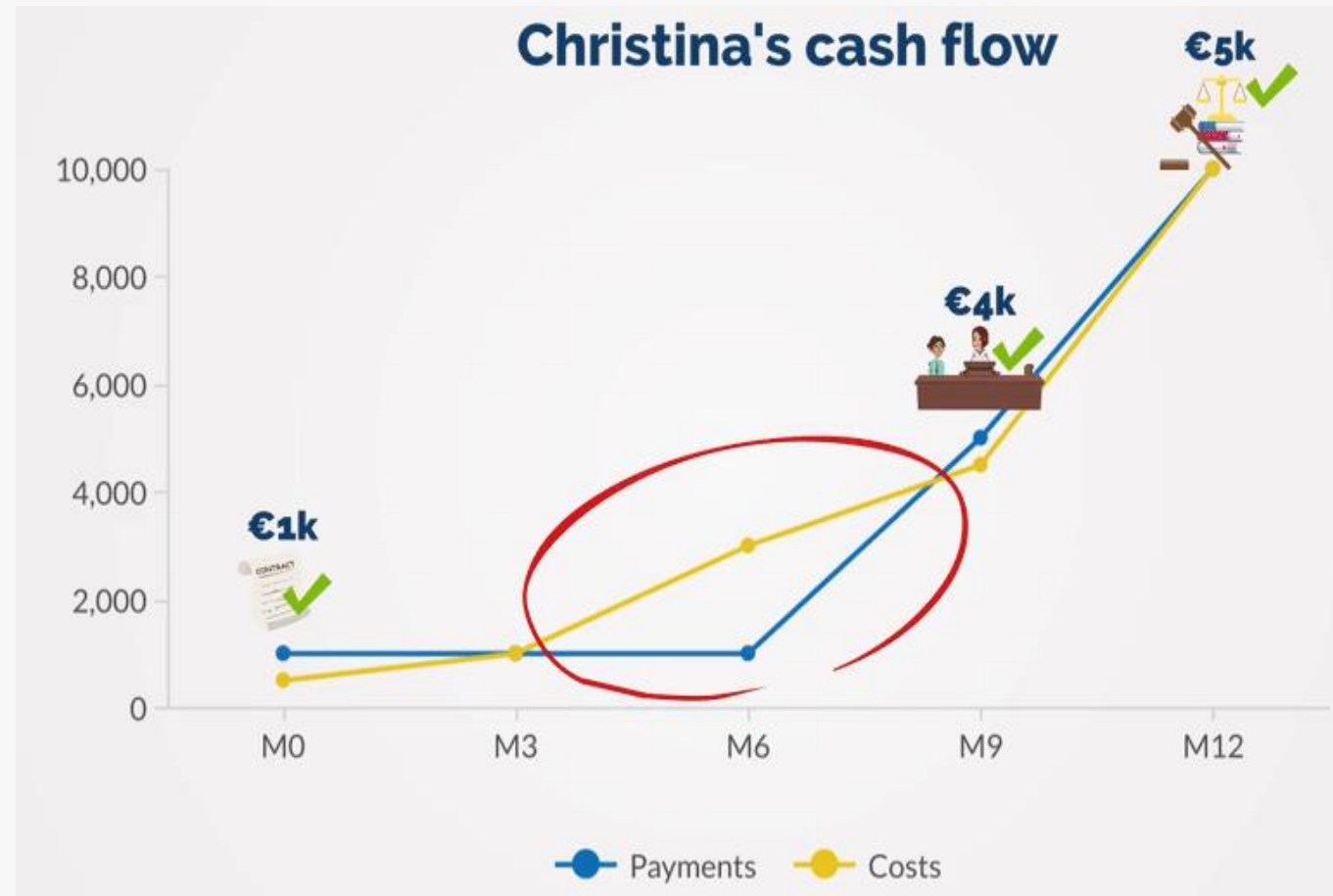
Next, she models her costs during the contract lifetime.



As she compares her payments with her all expenses over time, she realises right away that they do not match.

The second payment comes too late for her to meet her costs.

If the contract does not change, she will not be able to go through with the task.



Then she has an idea!

She can receive some of the second payment earlier by asking it to be linked to another step in the contract.

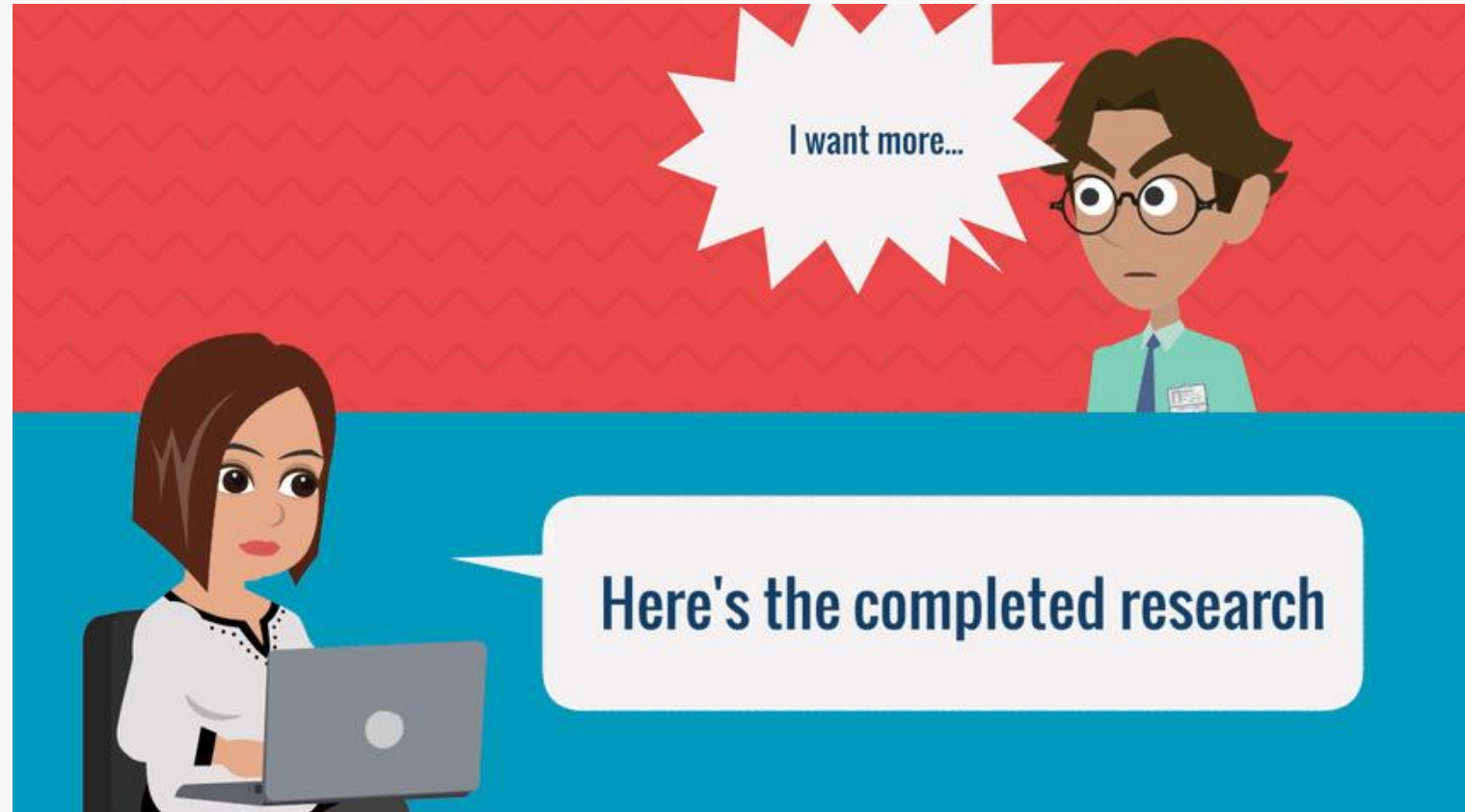


Christina thinks about other steps which could serve as an additional payment trigger.

She thinks that the completion of the research could work. She estimates that this will happen around month 5.



However, she soon realises that it will not work because even if the timing is okay, it's not objectively verifiable.



Another would be the submission of the court documents.

1. She estimates that this will be in month 6 and is not likely to change. Therefore, the timing is right.
2. It's also obvious to everyone whether it has occurred or not. Therefore, it's objectively verifiable

That would be perfect!

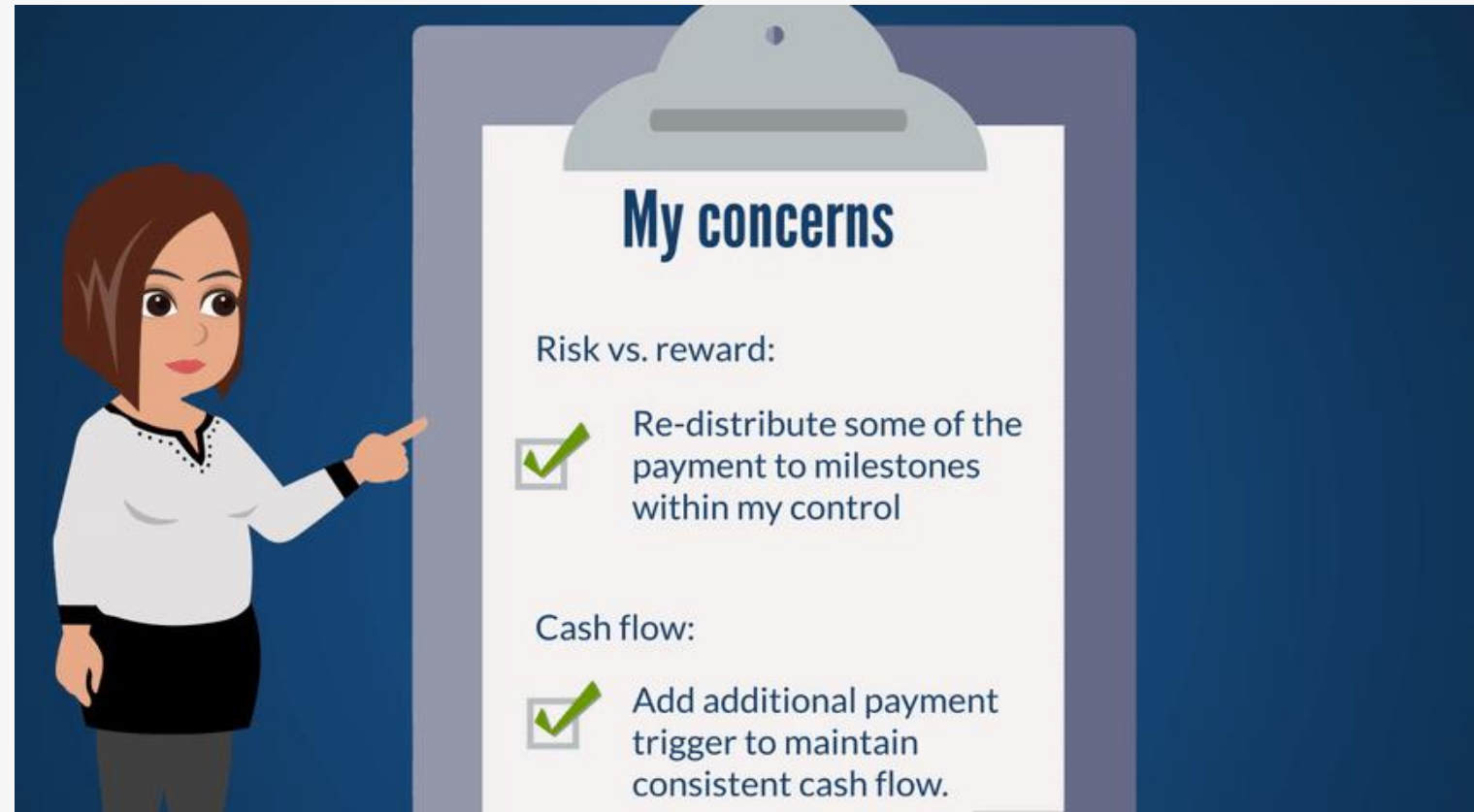


This is Christina's proposal.



Christina looks at her original concerns and checks them against her new proposals regarding the balance of risk and her cash flow.

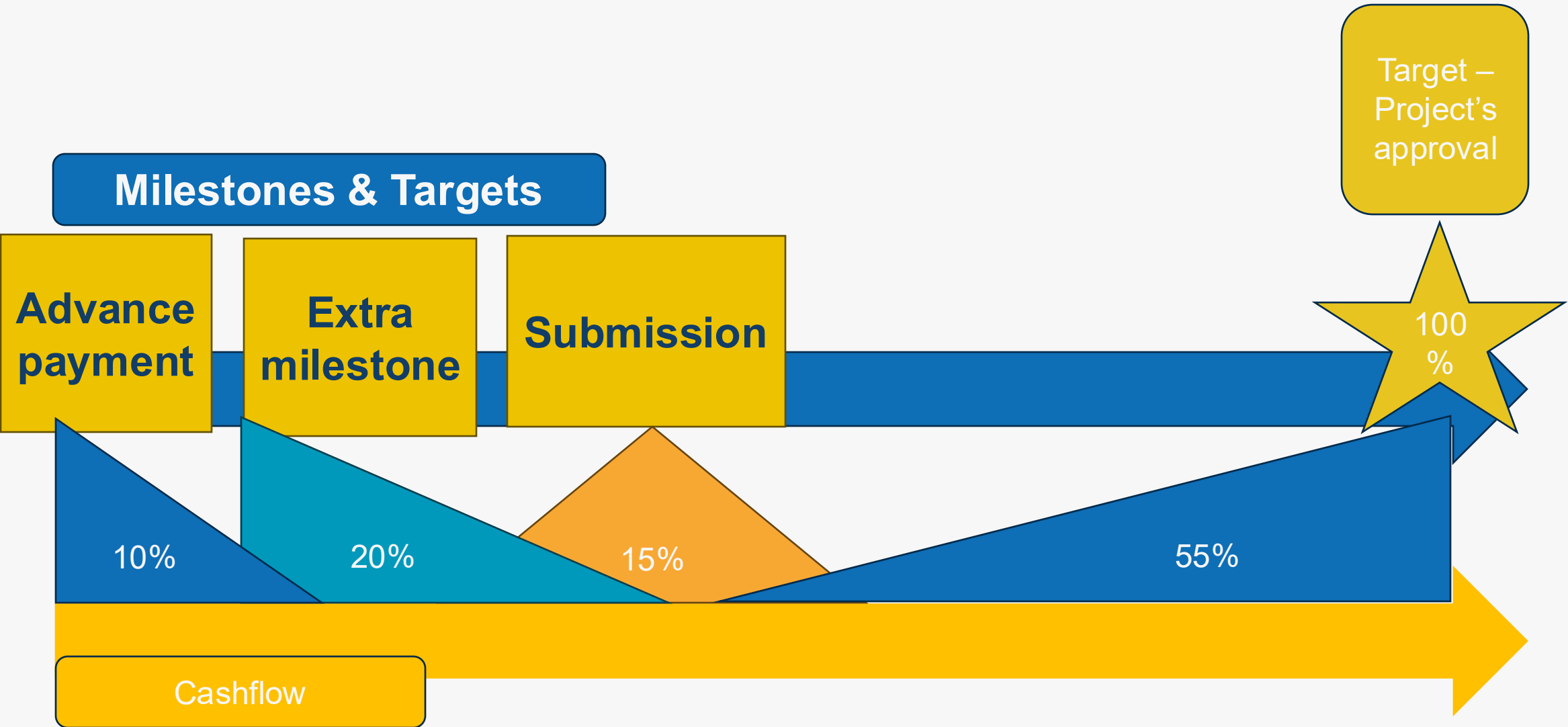
She feels that has addressed all her concerns.



She decides to meet with Bob with her proposed contract amendments.
And after some negotiations...



Christina's final contract



Interreg measure

Ramping up protection measures of Natura 2000 in a cross-border area



Significant number of Natura 2000 sites



Not sufficient protection so far



Allocation 40 M €



Baseline: 150 000 ha
Target: 350 000 ha



1 call
Regular projects

Possible milestones:



Development of an action plan



Call 1 – projects selection



**% target achievement –
50%; 100%**

Cash flow

Example considerations:



Call set up & assessment



Advance payments for projects vs advance payments from the EC



Interim and final payments for projects



Management costs



Payments from the EC, suspensions, irregularities



Decommitment n+1

Risks

Example considerations:



Experience and knowledge/ no previous experience with FNLC



Target setting



System design



Non delivery, partial delivery by projects

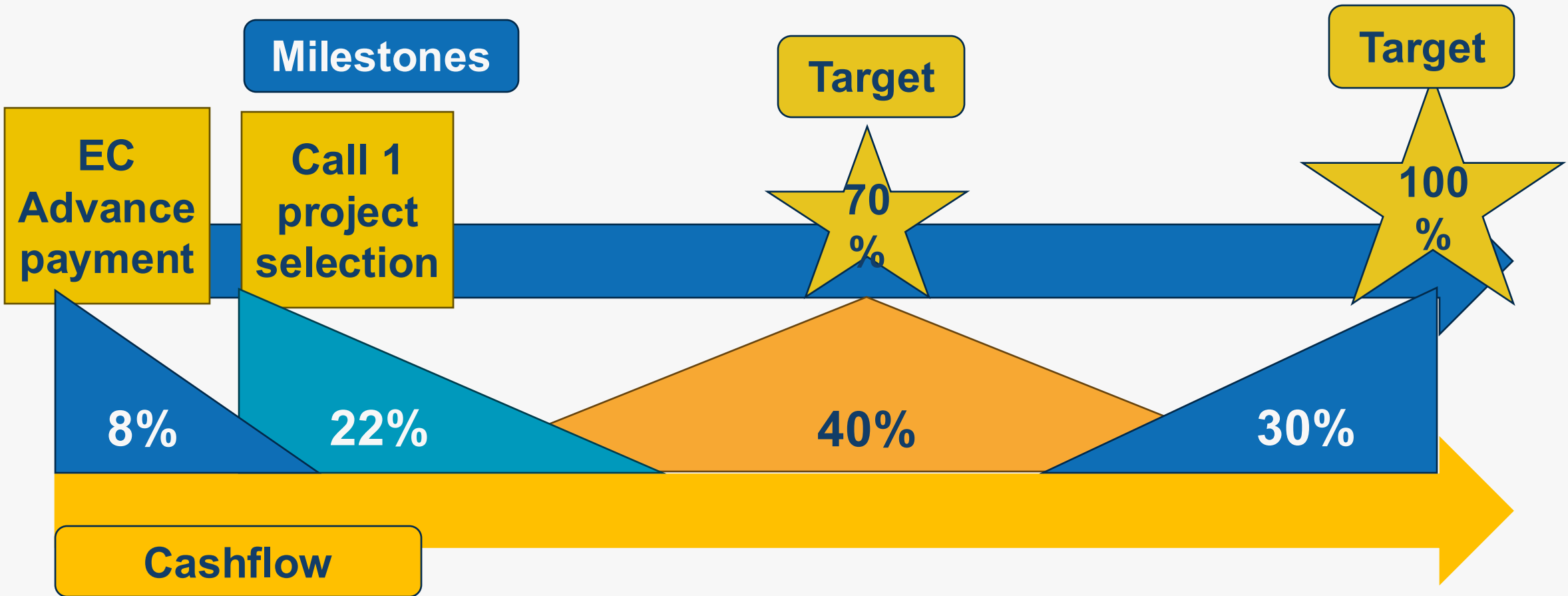


Audit



Factors outside programme's control

Simplified Interreg



Recommended further reading & listening



[Recommendation paper on Financing not linked to costs](#)



[Recording of the webinar on design, use and audit of FNLC in cohesion policy programmes 2021-2027](#)



[Inforegio – study on Performance-based schemes: from the RRF to possible approaches under the ERDF/CF and JTF](#)



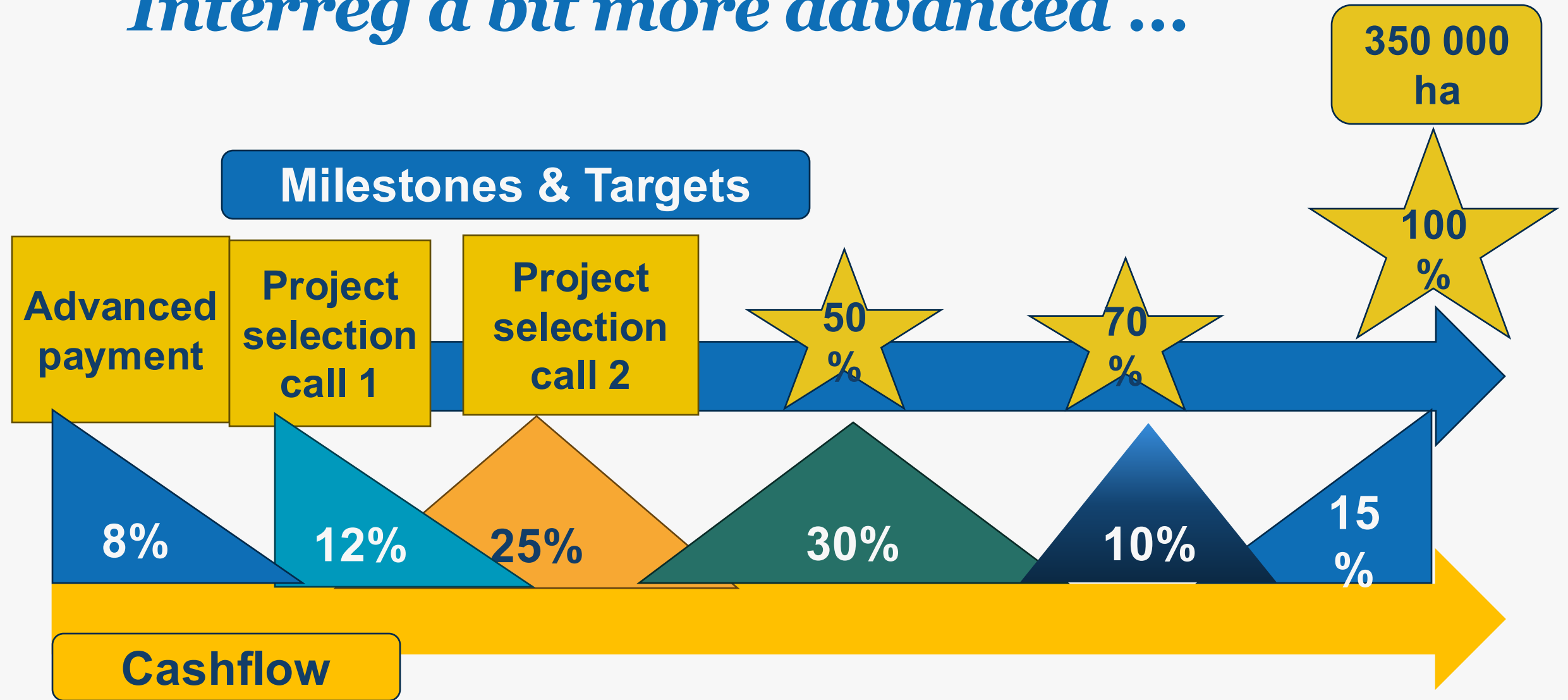
[RRF the country-specific pages](#)

Annexes to the Council implementing decision; Operational arrangements (Documents/Assessment of RRP; Documents/ Operational arrangements)



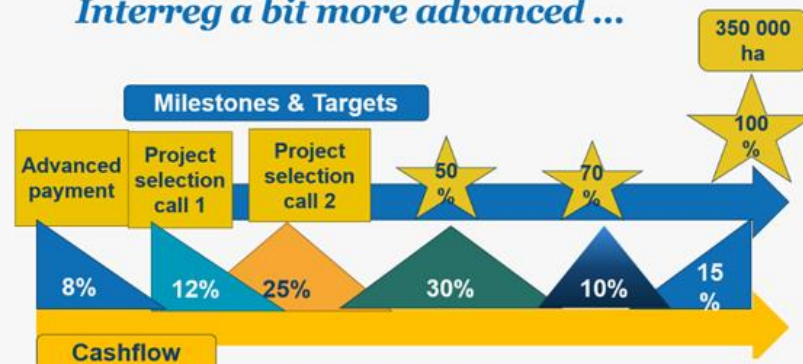
[Review 02/2025: Performance-orientation, accountability and transparency – lessons to be learned from the weaknesses of the RRF – European Court of Auditors May 2025](#)

Interreg a bit more advanced ...

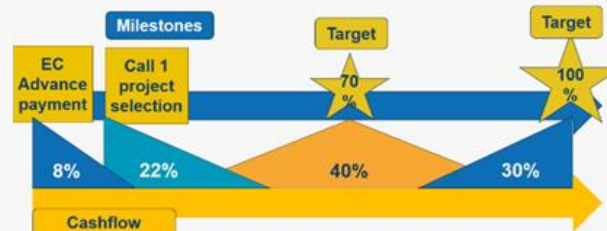


Interreg Programme Cashflow

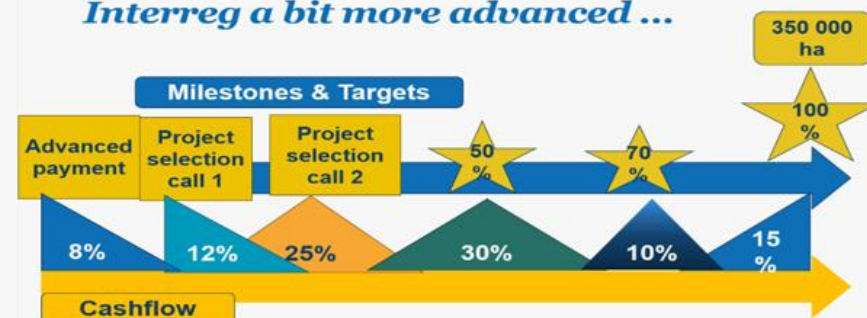
Interreg a bit more advanced ...



Simplified Interreg



Interreg a bit more advanced ...



Performance Regulation in the Interreg Context

Elements of the Interreg Plan

The Interreg Plan – Chapters cf. Annex (1)

- The chapters of the Interreg Plan correspond to cooperation in a specific geographical area.
- They provide a summary of the programming document that each partnership prepares, setting out, on the basis of the template (Annex to ERDF/CF):
 - 1. The chapter strategy
 - The **intervention strategy** of the Interreg chapter based on a clear analysis of territorial needs and gaps in the area covered;
 - Identification of the **measures for cooperation**, including any measures for territorial or local development and an explanation how these measures are expected to **contribute to the objectives** defined in Article 3 NRPP [\[Specific objectives\]](#) and Article 6 ERDF/CF [\[Scope\]](#)
 - 2. A description of the measures, with for each measure
 - **Milestones and targets**, including an indicative **timeline** for achievement and the **pay-out value** for the milestone or target

The Interreg Plan – Chapters cf. Annex (2)

- 3. Financing and costs, with for each measure:
 - An **indicative breakdown of the total cost** of the measure by intervention field, including the **methodology used** and **justification for the plausibility** and reasonability of the total estimated costs, including **audit authority assessment**;
 - A description of the **document(s)/system that will be used to verify the achievement** of the result or condition and how **management verifications** (including on-the-spot) will be carried out;
 - A description of the arrangements for the **collection and storage of relevant data** and documents.
- 4. Arrangements for the implementation of the chapter:
 - Arrangements for the **effective monitoring and implementation** of the chapter;
 - Arrangements and systems to ensure a **regular, effective and efficient use of EU resources**;
 - Identification of the **managing and audit authority**;
 - A summary of the **consultation process** conducted for the preparation of the chapter and the **role of partners** in implementation, monitoring and evaluation;
 - A description of **the apportionment of liabilities** in the event of financial corrections

Example of an Interreg chapter measure

Interreg chapter: milestones and targets

Example:

<i>Measure</i>	Ensure equal access to health care and fostering resilience of health systems in the programme area, including primary care, and promoting the transition from institutional to family and community-based care
<i>Specific objective</i>	Strengthening the quality and resilience of healthcare systems (Art. 3(1)(c)(iv))
<i>Possible procedural milestones</i>	Launch of first calls, selection of projects, signature of the financing agreements when applicable, etc. (payment of a certain percentage of the overall payout value for the measure broken down for each procedural milestone)
<i>Possible milestone linked to reforms</i>	Preparation of a detailed mapping of healthcare services in a cross-border area endorsed by the health authorities at regional level in view of closer coordination of health services and investment in the cross-border area – payment X%
<i>Milestones linked to support on the ground</i>	X Number of strategies and action plans jointly developed - payment of Y%) X Number of equipment or mobile assets purchased - payment of Z% Number of new or improved services implemented that provide affordable access to essential health services: half of the target – payment of V%
<i>Target</i>	X Number of new or improved services implemented that provide affordable access to essential health services – payment of W%

Interreg chapter: indicators and intervention fields

Example:

<i>Measure</i>	Ensure equal access to health care and fostering resilience of health systems in the programme area, including primary care, and promoting the transition from institutional to family and community-based care
<i>Intervention field</i>	(453) Performance of health systems (excluding infrastructure and digitalisation)
<i>Output indicator</i>	Number of new or improved services implemented that provide affordable access to essential health services
<i>Result indicator</i>	Annual users of new or modernised health care services
OR	
<i>Intervention field</i>	(142) Member States cooperation and networks
<i>Output indicator</i>	Number of organisations/administrations cooperating across borders
<i>Result indicator</i>	Number of legal or administrative obstacles across borders alleviated or resolved and Number of solutions taken up or up scaled by organisations

Performance Regulation

Performance Regulation - Interreg

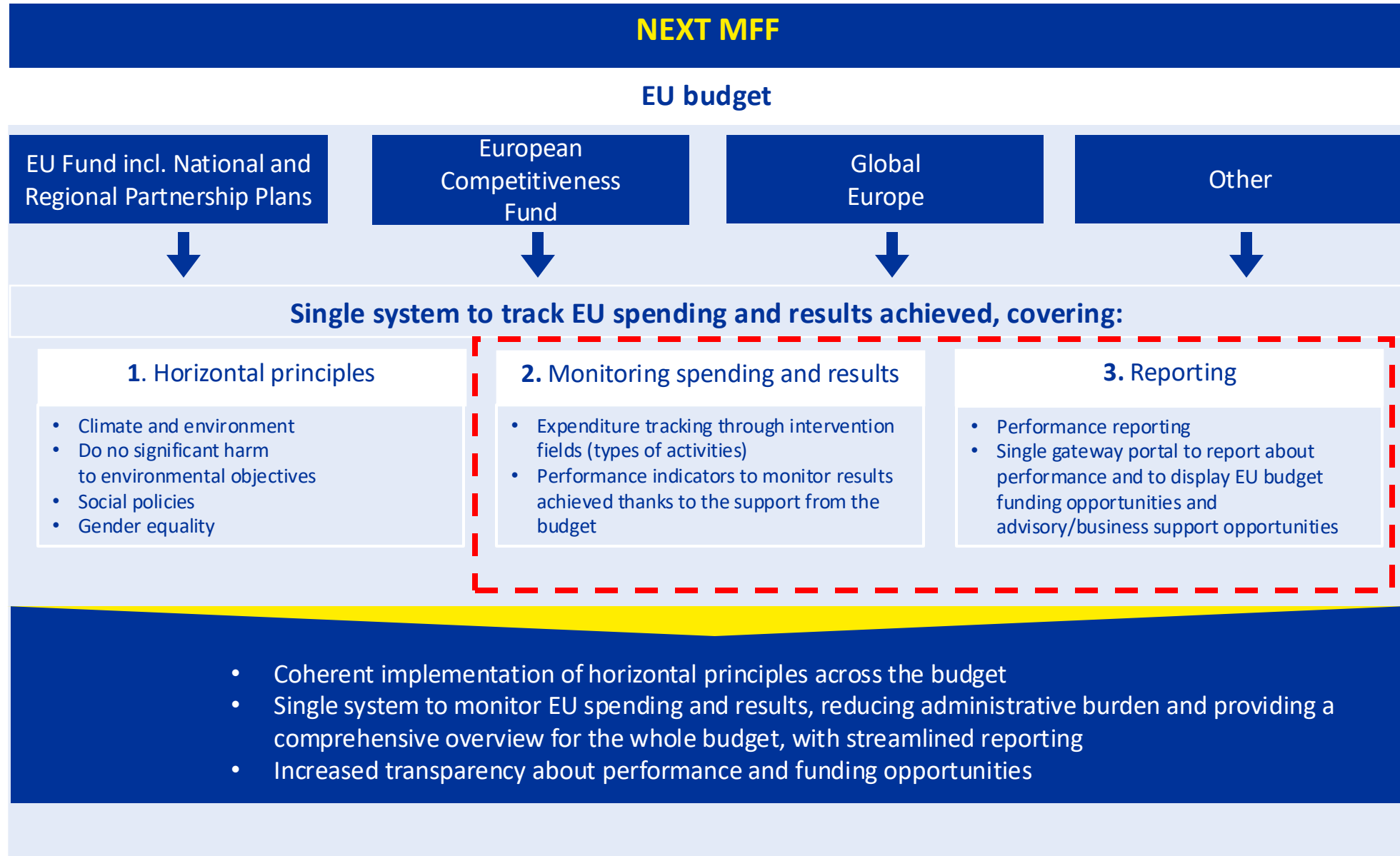
- *Proposal for a Regulation establishing a budget **expenditure tracking** and **performance framework** and other **horizontal rules***
 - The Performance Regulation applies to Interreg.
- *Chapter 2 – Horizontal principles*
 - Article 4(2) [Climate and biodiversity] sets a spending target of at least 35% of the total amount of the budget. Annex III [Specific climate and environment spending targets] sets a target for the NRP Plans of 43%.

Fiche no 22 MFF on climate and environment and social policies takes into account Interreg.

- *Chapter 4 – Implementation:*
 - For performance monitoring and reporting, Interreg Plan chapters are considered to be governed by Article 14 [Implementation through plans by Member States]



1. Proposal for Performance Regulation



2. Monitoring spending and results | Shared management

- **Output indicators:**

- They will be used to define a final milestone or target under the National and Regional Partnership Plan serving two purposes: (1) triggering payments; and (2) reporting on performance.
- Member States are required to use only one output indicator per intervention field

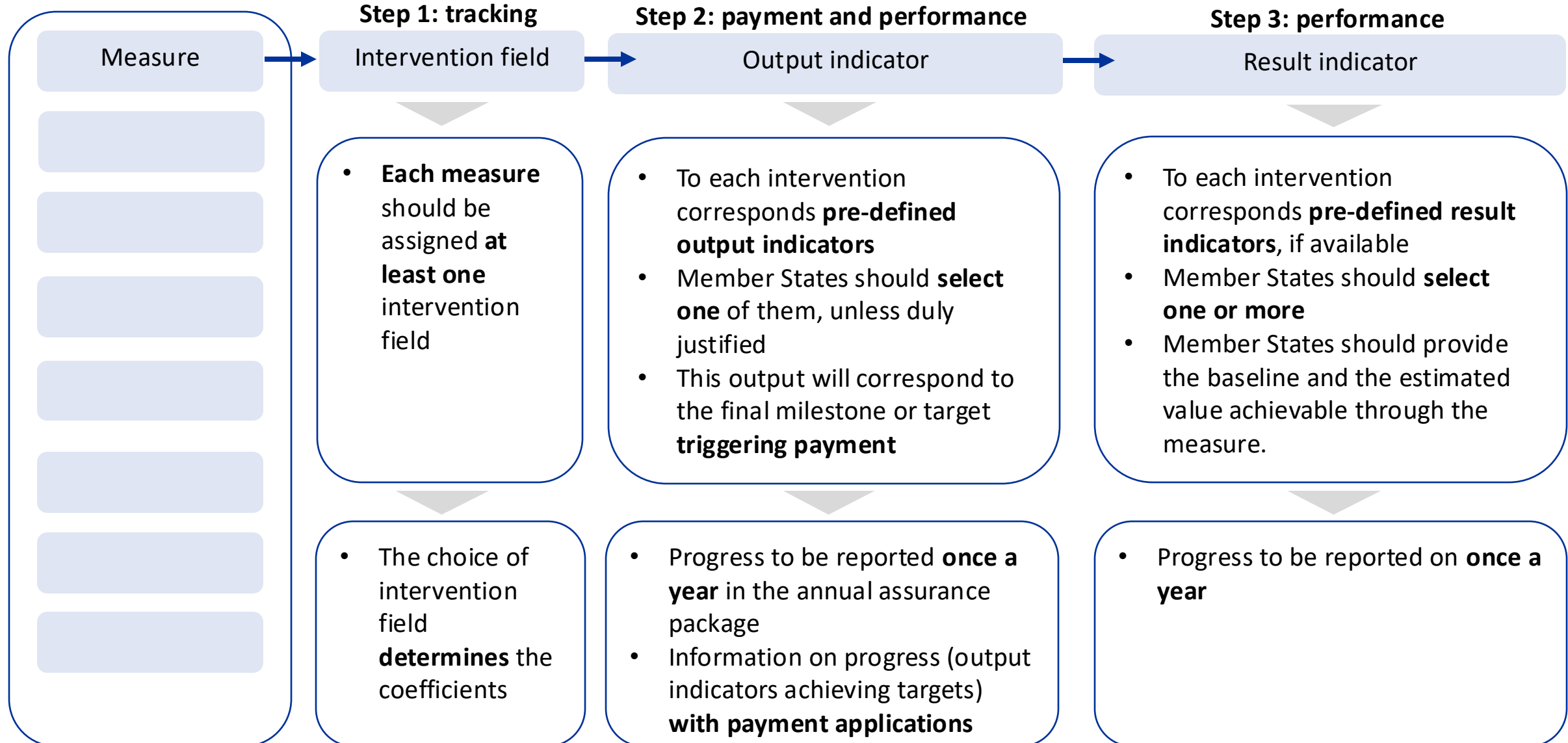
- **Result indicators:**

- Member States will be required to plan and report one or more result indicators in addition to the output indicator, including the baseline and estimated value, like today in the European Regional and Development Fund and the Cohesion Fund.
- Result indicators often include 'greenhouse gas emissions avoided'. In such cases, an additional result indicator is required to ensure results are available for the relevant policy areas.

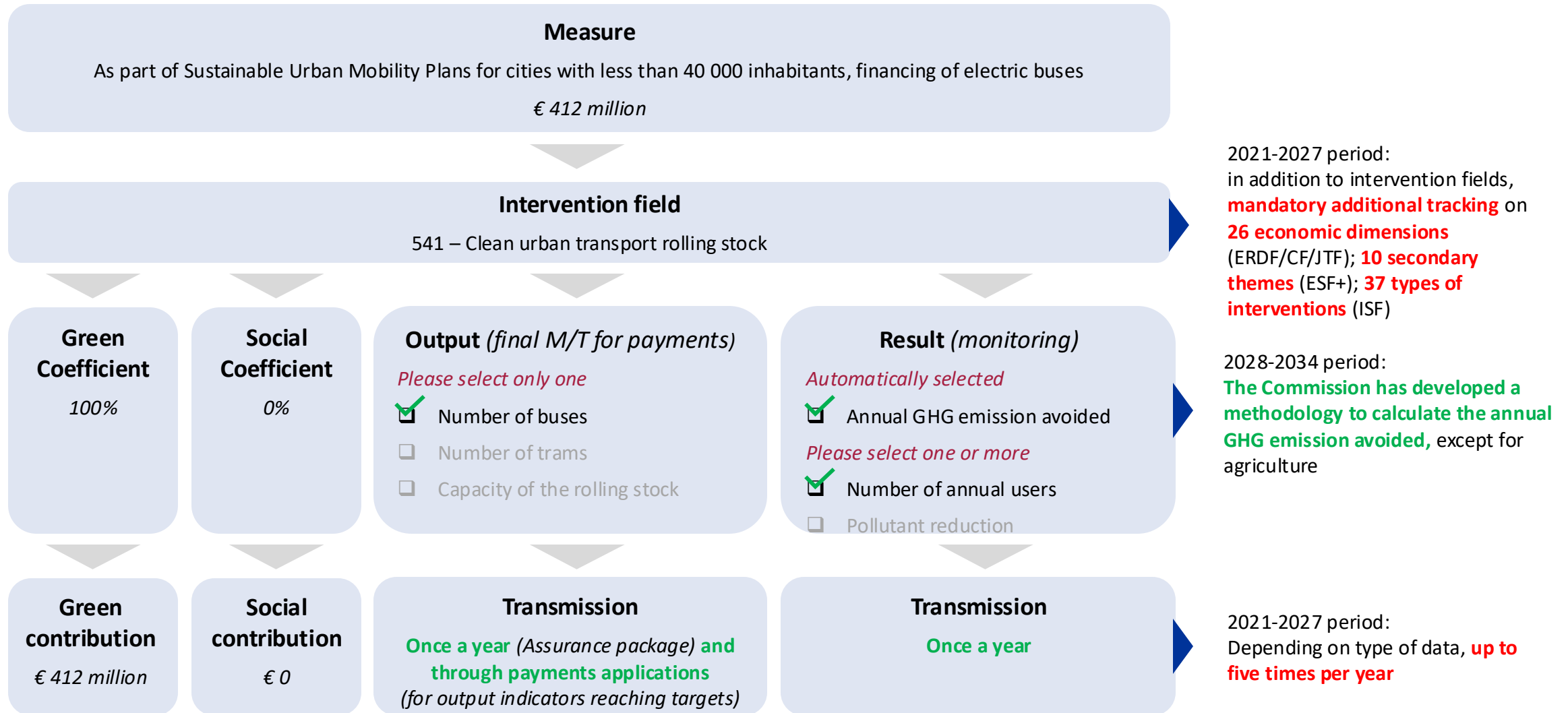
- **Annex I is a pre-defined catalogue from which Member States will select the relevant indicators:** Member States are not required to report on all indicators in Annex I, with a view to reducing administrative burden.

- **Progress on output and result indicators will be reported once a year.** The choice of output and result indicators shall be subject to the agreement with the Commission

2. Monitoring spending and results | Shared management



2. Monitoring spending and results | Shared Management



Performers working group



2024- Post 2027 Consultation reports



2025 - Mock-up models....

Performers WG work plans

Late 2025 & 2026



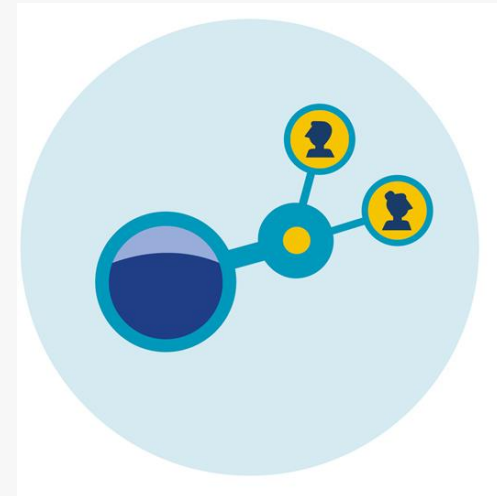
Till the end of 2025 finalizing works
4 models



Focus on design and adjust
processes (coordination)



Subgroups needed



Interact late 2025 & 2026 work plans



Working group on Intervention logic
and indicators aligned with
Performers working group



P-BA for beginners



ESPON TAIEX project



Performers continue to work on....

Cooperation **works**



Disclaimer

Publisher

Date updated

Primary knowledge area

Author(s)

Interact Programme

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Performance-based approaches

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