

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

Interreg Knowledge Fair session report | November 2025

Overview

Based on the draft regulatory package, the single biggest change for Interreg programmes in the next programming period is the transition to a performance-based approach to payments (P-BA) between the Commission and programmes¹. The consequences of the new approach will be felt by all Interreg practitioners, regardless of their role and programme body, and will need to be carefully considered as part of preparations for the next programming period.

Before this task gets fully underway, it is important for all practitioners to have a common understanding of the fundamentals of P-BA: what is its underpinning logic? What does it aim to achieve?

The goal of this session was to address some of these questions: firstly through presentations from Interact and Commission colleagues, and secondly through gathering questions from programme representatives.

Methodology

The two-hour session was structured around the following sections:

- An introduction/brushing up on the basics
- Sign-posting to next steps
- An update on the work of the Performers working group
- What is coming in 2026

Key discussion points

An introduction/brushing up on the basics

The full presentations from Interact and the Commission can be found on Interact's website.

In the Interact presentation, a fictional example of contract between a lawyer and her client was used, in order to illustrate the fundamentals of P-BA. In this example, the underlying principles of the contact were as following:

¹ While not compulsory in the draft regulation, the Commission also recommends the use of P-BA between programmes and beneficiaries.

- The **monetary value** that the client deemed “worth” the achievement of his objectives was determined **ex ante**.
- Payments from client to his lawyer would be released upon **achievement of certain pre-defined conditions**.
- For it to be a performance-based approach, at least **some** of the pre-defined conditions should **relate to the client’s final objective**. However, **other payments** should be linked to earlier steps in the contract lifetime to enable the lawyer have the **cashflow to successfully deliver** the client’s goals.

Signing-posting to further reading and listening

There are differences between financing linked to costs (FNLCs) permitted under Article 95 of the current CPR and the performance-based approach foreseen in the draft post 2027 regulations. Nevertheless, the following learning from the Recovery and Resilience Facility (RRF) and from FNLCs in Cohesion Policy, may provide programmes with inspiration:

- [Recommendation paper on Financing not linked to costs](#)
- [Inforegio – study on Performance-based schemes: from the RRF to possible approaches under the ERDF/CF and JTF](#)
- [Recording of the webinar on design, use and audit of FNLC in cohesion policy programmes 2021-2027](#)
- [RRF the country-specific pages](#) (Annexes to the Council Implementing Decision; 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](#)

An update on the work of the Performers working groups

Having contributed to the post-2027 harvesting report at the end of 2024, the main focus of the Performers working group in 2025 has been to develop a series of models of how P-BA could apply to an Interreg context.

The purpose of these models is as follows:

- it is part of a process to build P-BA capacity within the Interreg community,
- to experiment with how P-BA could work in an Interreg context
- to test whether we have a common understanding of concepts/requirements in the draft regulations

Work on these models is due to be completed at the end of 2025. All learning from the model-development exercise will be shared with the wider Interreg community.

What is coming in 2026

In order to fully consider and understand the impact of P-BA on the full range of roles and functions within an Interreg programmes, it will be necessary for further work on P-BA to follow a more atomised approach. In practical terms, this means specific issues being looked at in detail in specific working groups. For example, starting in November 2025, the Indicators working group will begin to look at the implications of P-BA for how we use indicators in post-2027. The Performers working group will remain as a “nexus” between these various working groups so that knowledge gained in one can feed into all.

In addition to this, Interact will be running sessions on P-BA for beginners in Semester 1 of 2026, and will be cooperating with ESPON’s TAIEX project which with a help of the models developed by the Performers, will further examine the P-BA applicability of the 2028-2034 regulatory package proposal.

Regulations and articles of particular significance

For further information on the draft regulatory basis for P-BA programmes can consult the following draft regulations and articles

COM 2025 545 1 Proposal for a Regulation of the European Parliament and of the Council establishing a budget expenditure tracking and performance framework and other horizontal rules for the Union programmes and activities (Draft Performance Regulation)

- Article 2 (Definitions) – (2)- (9)
- Chapters II & III
- Articles – 13-15; 17
- Annex I

COM 2025 565 1 Proposal for a Regulation of the European Parliament and of the Council establishing a European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security (Draft NRP plan regulation)

Preamble 25; 56; 57

- Articles – 2; 3;
- Article 4 (definitions) - (10) –(13)
- Articles – 13-17; 20; 51(2); 53(3)&(4); 58; 60(6); 63; 65; 67-69; 78 (SCOs);
- Annexes IV; VIII; IX; XI; XVI;

COM 2025 552 1 Proposal for a Regulation of the European Parliament and the of the Council establishing the European Fund for Regional Development and the Cohesion Fund as part of the National and Regional Partnership Plan (Draft ERDF Regulation)

- Chapter II
- Annex – template for the Interreg plan chapter

Conclusions, plans for followed up

All questions submitted by participants, especially those not responded to directly during the session, will be closely considered and will be addressed through events or publications during 2026.

Regarding specific events already planned in the remainder of 2025 and in 2026 on the topic of P-BA and the post-2027 intervention logic, please find here the following:

- A webinar on the new **intervention logic** which was held online on **12 November**, and the recording is available [here](#).
- **Indicators: now and for the future** – Week 6, 2026
- **PBA for Beginners** – Week 7 and Week 17, 2026
- **PBA and Indicators for the Future** – Week 23, 2026

Session leader: Grzegorz Golda

Delivery team: Jasmina Lukic, Phil Heaton, Jón Bergthorsson

Report drafted by: Phil Heaton