

Exploring the known and unknown financial aspects

Interreg Knowledge Fair session report | November 2025

Overview

The session on financial aspects in regulation proposals focused on 3 topics:

1. Financial flows
2. Financial horizontal rules
3. Current simplification and harmonisation measures

Methodology

After general introduction to the topics the participants split into groups to exchange and reflect either on:

- financial flows focusing on factors affecting pay-out values of milestones and targets
- simplification in practices to fulfil all the financial horizontal rules while reducing the administrative burden for projects
- continuity of current simplification and harmonisation measures within future Interreg programmes

Key discussion points per group

For Financial Flows the group brought up:

- that it feels unpredictable and uncertain to plan for pay-out values for milestones and targets, while also considering decommitment and the payment application schedules
- that there is a need to develop together some models for lower level (programme – projects) payments
- that there is a need to work together on some models for milestones and targets for specific measures, models that the programmes can then adjust to their needs
- that there might be a conflict between sound financial management and the need to speed up financial performance
- and finally, the group discussed that Technical Assistance (TA) being based on project performance creates even more uncertainty and there was a proposal to have TA defined at a level of allocation as a fixed amount – not linked to project execution.

For Financial Horizontal Rules the group brought up:

- Public procurement is the field causing many irregularities with high financial impact. The public procurement directive is expected to be modified next year. There is uncertainty regarding public procurement rules to be applied in post-2027 in IPA countries.
- State aid rules (GBER) are expected to be revised in 2026. De minimis does not change, but there will be the obligation to use either Union or national registers as of 2026.
- There are many methods to prevent irregularities and fraud applied already now. Many programmes/authorities use digital registers on daily basis, for example beneficial owners registers, corruption registers, anti-mafia registerer, court registers at the application level as well as later on during the implementation (programmes and controllers)
- Conflict of interest is verified especially for MC members, JS/MA staff, project partners and public procurement contractors.
- The application of financial horizontal rules will be continued.

For Continuity of Current Simplifications the group brought up:

- there is a need to have cost categories and off-the-shelf (OTS) simplified cost options (SCOs) available for programmes but not mandatory AND with the guarantee that the AA will not go beyond the required audit trail
- that using draft budget might still require SCOs within the PBA framework
- that small project fund (SPF) & and small-scale projects might be problematic with the new threshold
- the question how to establish programme specific SCOs, especially if there's no historical data
- and finally, there was a strong call to have OTS unit cost for staff costs per country defined by EC

Regulations and articles of particular significance

MFF Financial allocation

NRP Articles 4:10;13-17; 51; 58-59; 65-70; 78

PBA Articles 8-9; 14

ERDF Articles 8-12

Additionally, current CPR Articles 53-55 and IR Articles 37-44 (eligibility of expenditure and SCOs)

Conclusions, plans for follow up

The conclusion from EC focused mainly on the financial flows, highlighting the importance to plan milestones and targets wisely and justify the proposal with what makes sense and has impact on the ground. An example of planning wisely is if the programme is not sure how many calls it will eventually have, having a milestone for Call 1 – possible for Call 2 – but not more. An example of impact on the ground is the justification of needing to pay advance payments to projects to support implementation. Commission also noted down the wish to have TA defined at a level of allocation as a fixed amount.

We concluded to continue working together on all these topics, that are very much inter-related.

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