

# Performance in progress: the P-BA journey so far and what's next

Interact, February 20<sup>th</sup>, 2026

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# Objectives for today

## Objective 1

Where we've come from: the PBA journey so far

## Objective 2

Lessons learned & reflections

## Objective 3

Looking ahead: what's next for PBA in Interact

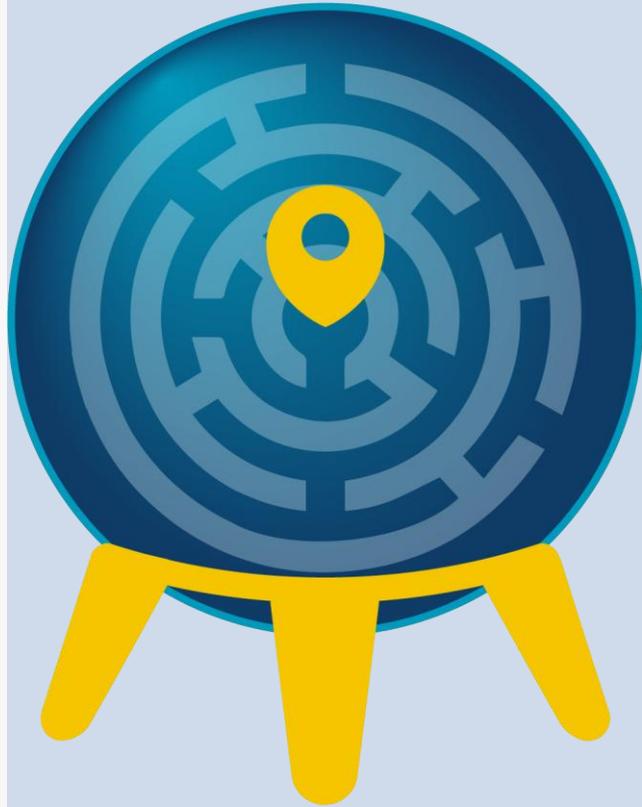
# What you can expect from today

## What to expect

- Background & key definitions
- Testimonies from programmes
- Plans for 2026
- How to get involved
- Links and further reading

## What not to expect

- Detailed discussion on how P-BA will work in practice
- A training on P-BA



# Where we've come from: The P-BA journey so far



# Why are we discussing **P-BA**?

## Changes in post 2027 Interreg delivery mechanics



One Interreg Plan; Interreg Plan chapters



Less rules on the 'lower level'



**New intervention logic framework**



**New payment mechanics – P-BA**

# How new is P-BA?



**Continuation of performance orientation**



**Recovery & Resilience Facility (RRF) &**

**Financing not linked to costs (Art 95 CPR)**



**Programme specific SCOs (lump sums)**

**(Art 53.3 FEV & Art 94 CPR)**



**Outside EU (e.g. World Bank)**

# Intervention logic – key building blocks



Measure



Intervention field(s)



Output indicator = Final target

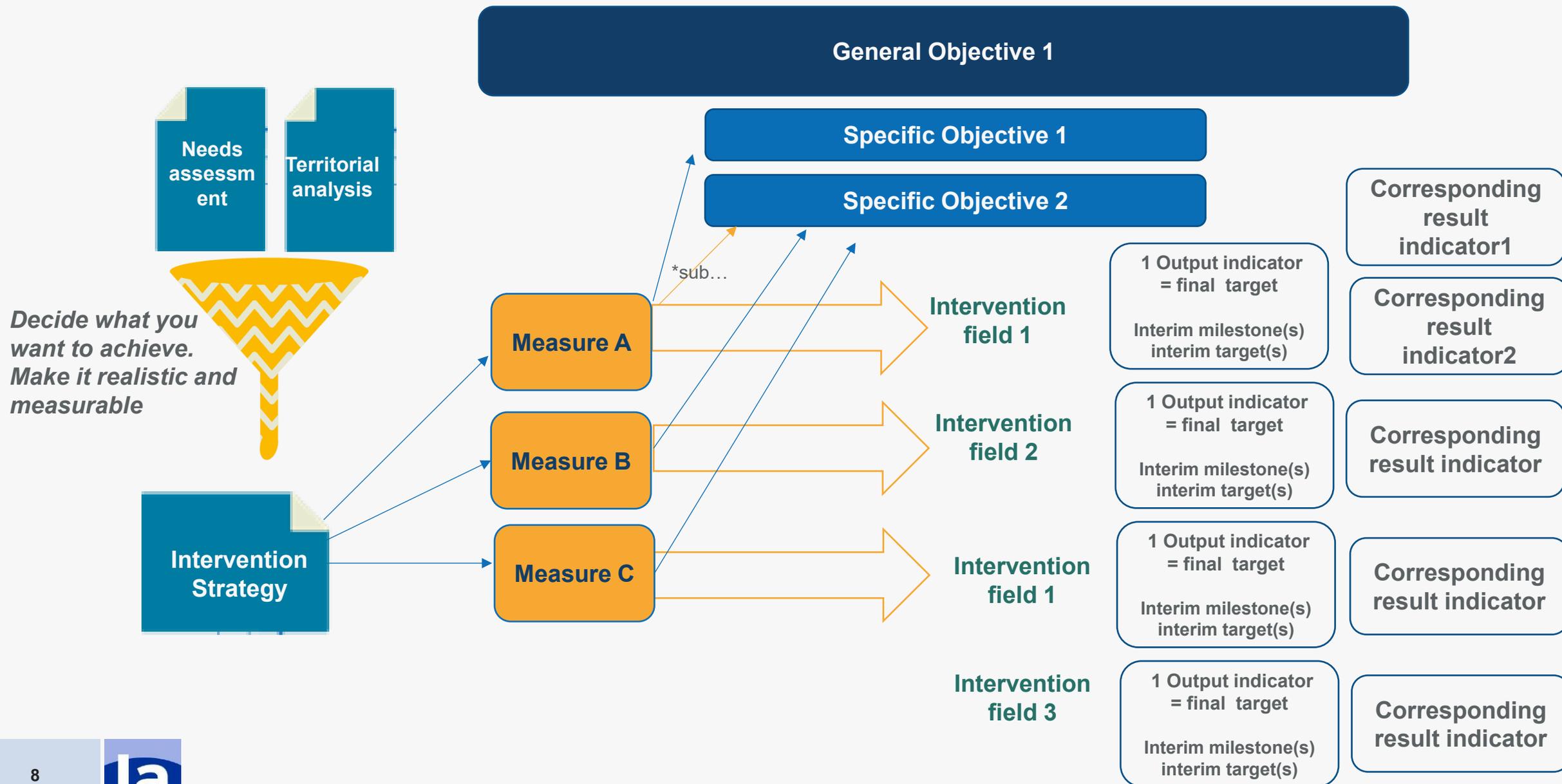


Milestone(s)/Interim target(s)



Pay- out value

# Intervention logic 2028-34



# The basic principles of P-BA



Payment is based on meeting **pre-agreed conditions** *not on expenditures*



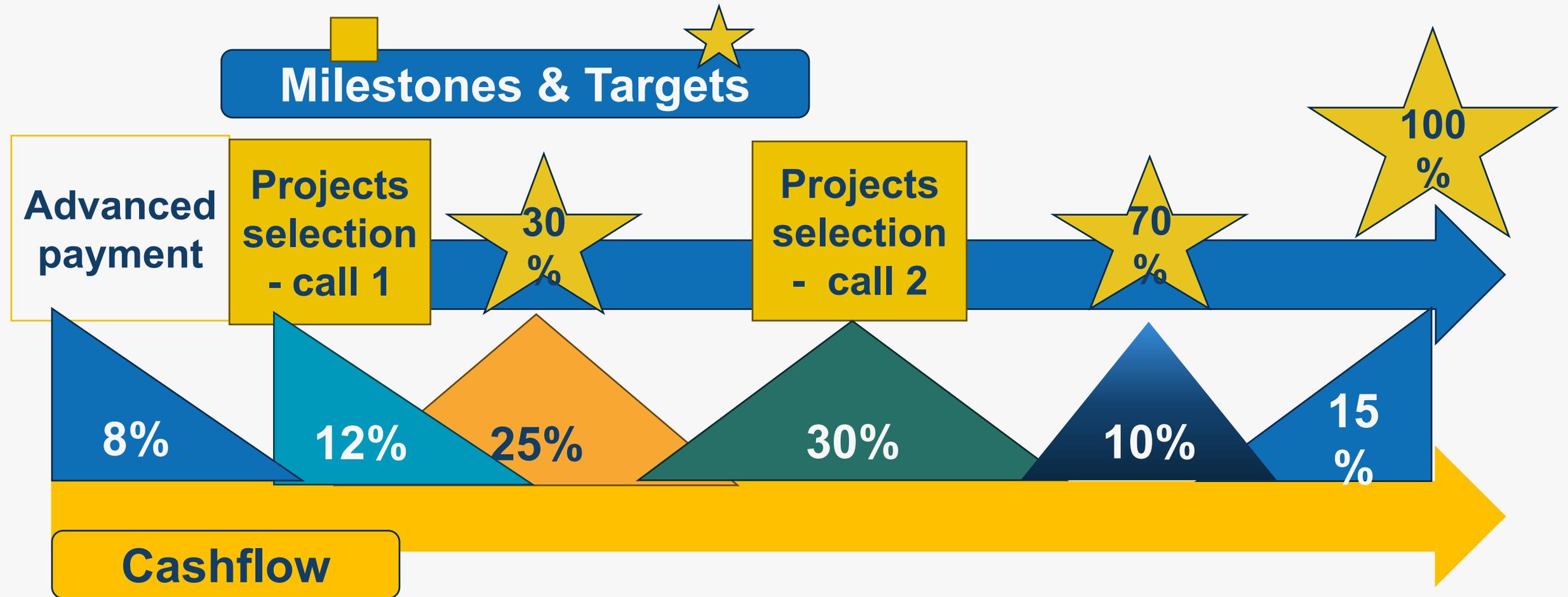
The purpose of P-BA is:

- a) to ensure **value for money**, because payment is only **provided in full** if **all pre-agreed conditions** are fulfilled;
- b) to focus verification efforts on **checking quality** rather than costs



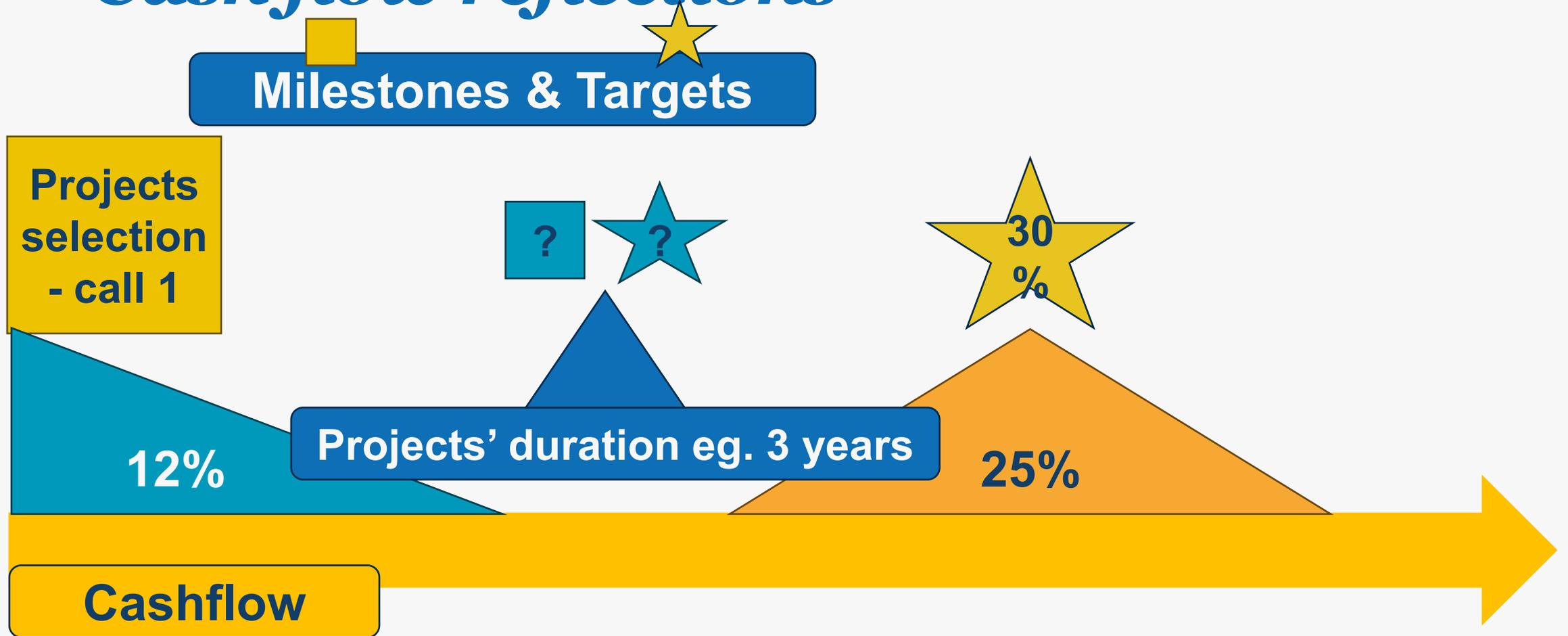
An ideal P-BA mechanism balances the need to reserve some funds to act as **an incentive to meet all conditions**; while **providing regular cash flow** to enable delivery of desired outcomes

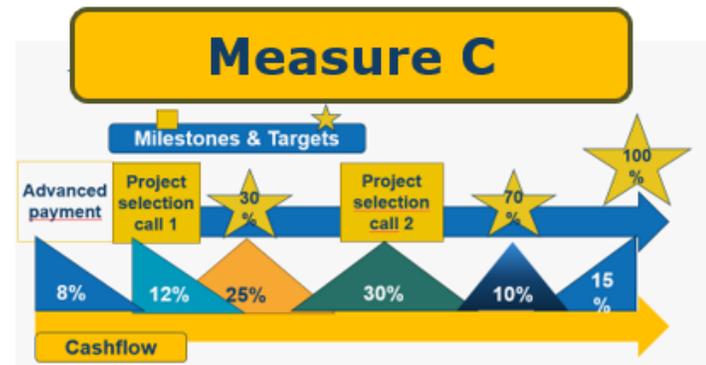
# Possible P-BA for an Interreg measure



# Possible P-BA for an Interreg measure

## Cash flow reflections





## Interreg Programme Cashflow

# EC – Interreg payments linked to achievement of milestones & targets

## 2. Description of measures

Text field [2 000]

for each measure,

### (a) Milestones and targets

Table containing milestones, targets and timeline for the chapters with the following information:

Measure ID	Name of the measure	Specific Objective	Milestone or target (reference number)	Name of milestone/target	Unit of measurement	Baseline	Target	Indicative timeline for achievement (quarter and year)	Description of each milestone and target	Pay-out value for the milestone or target
										[1 000]

## 3. Financing and costs

For each measure:

### (a) Costing of measures

Chapter ID	Measure ID	Reform/ Investment	Estimated Total Cost (EUR )	Indicative breakdown of the total cost of the measure by intervention field	Methodology used and description of the total estimated costs including based on historical data	Justification on the plausibility and reasonability of the total estimated costs, including audit authority assessment taking into account national and regional specificities and adjustment methods	Type of territory targeted
							[code for territory type dimension]

### (b) Verification of the achievement of milestones and targets

## TABLE OF MILESTONES AND TARGETS FOR WHICH A PAYMENT IS REQUESTED

Number	Specific Objective	Chapter	Measure	Funded under Grants or Loans	Name of milestone /target	Qualitative indicators (milestones)	Quantitative indicators (targets) as established in Regulation XXX (Performance regulation)				Timeline for achievement		Requested amount	Institution responsible for verifying the fulfilment of relevant milestone/target and for keeping the documents for the audit trail
							Unit of measure	Baseline	Initial Target	Target achieved	Quarter	Year		
requested for grants														
requested for loans														

## For output-based interventions

Seq. number	Specific Objective	Chapter	Measure	Output indicator as established in Regulation XXX (Performance regulation)		Requested amount	Institution responsible for verifying the information provided and for keeping the documents for the audit trail
				Unit of measurement	Output reported		
Total requested for output-based interventions							

# Interreg exemplary considerations:



Nil Interreg experience with FNLC/P-BA in 2021-2027



Reforms/investments in Interreg measure context



System design (what the set-up on the lower level/ how to connect the upper & lower levels



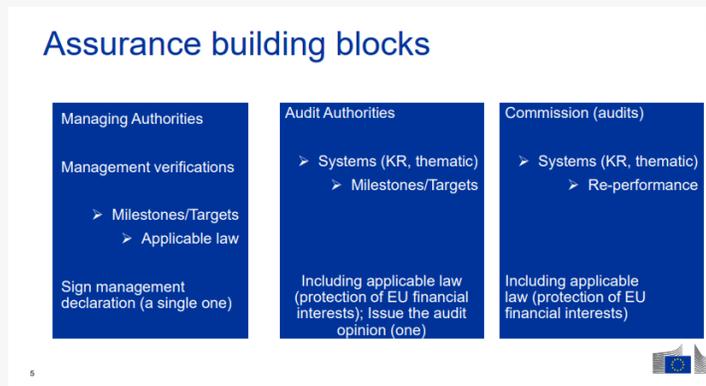
Non delivery, partial delivery of targets (by projects/programme); irregularities



Verification (RBMV) & Audit



Factors outside programme's control



# Cashflow

## Interreg exemplary considerations:



**Estimation of a measure's total cost**



**Milestone/Target - pay-out value setting**



**Alignment of programme's & projects' payments' profiles**



**Payment's delays suspensions, irregularities**



**Decommitment n+10m**



# Lessons learned & reflections



# Members of the Performers working group

Sara Ferrara, ESPON

Oana Cristea, Interreg IPA Romania - Serbia

Stef Peeters, Interreg Flanders – Netherlands

# Interreg Europe – Petra & Nicolas



- *sharing our practitioner's knowledge and experience (in particular on indicators and performance frameworks, SCOs, audit and control)*
- *increasing the understanding of PBA and evolving in our own reflections through the group discussions*
- *establishing a direct dialogue with colleagues from DG REGIO and other experts*
- *exploring ways how PBA can be applied in a reasonable way in the Interreg context (incl. testing templates and developing possible scenarios) and helping to shape messages that can be shared with the wider Interreg community, MC members and the EC*

## Interreg Europe – Petra & Nicolas

*For the next steps, the Interact working group could help in clarifying:*

- *the implementation in practice of the control and audit framework under P-BA*
- *the design and justification of the cost estimations by measure, including payout valued by milestone and target.*





# P-BA on the la website

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our job is to make it easier.

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## Organisation

Monitoring systems  
Partnerships  
Procedures  
Roles and responsibilities

## Implementation

Closing programmes 2014-20  
Cross-border obstacles  
EGTCs  
Harmonisation and simplification  
Localism and PO5  
Programme evaluation and indicators  
Small project funds

## Post 2027

Future regulatory discussions  
Interreg wide consultation  
Programme own consultations  
Performance-based approaches



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## Performance-based approaches

The essence of a performance-based approach (P-BA) is that it emphasizes **what** must be achieved, as opposed to how it must be done.

In P-BA, clear performance goals are defined in advance. Payments are linked to meeting these pre-agreed goals, not to expenditures or activities undertaken. The focus shifts from inputs to outputs.

Even before the Commission published the draft Post 2027 regulatory package, it was evident that we were moving toward P-BA. Now it is clear that this approach will (subject to Member State agreement) be the delivery mechanism between the Commission and the programmes. This means that success of programmes will be measured by the achievement of agreed **milestones** and **targets**.

This approach (or the use of simplified cost options) is also **recommended for payments between programmes and projects**.

As this model becomes the standard framework, it is important that we understand what it is, how it works and how to operate effectively within it.

### Where to start

Once you have read the draft regulatory package, particularly the [Performance Framework Regulation](#), you can proceed to the Interreg Knowledge Fair presentation, "An elementary Performance-based approach (P-BA) experience".

As simply going through the materials and slides does not always provide the full picture, we invite you to explore what we are currently working on below and join us.

### What we are working on

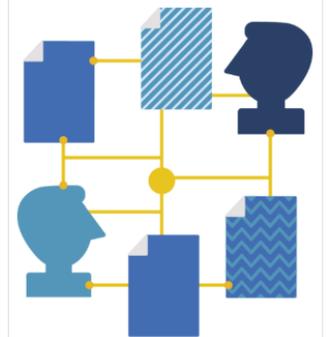
If you would like to better understand the basics of P-BA, we invite you to join our upcoming webinar P-BA in Interreg: the basics, planned for the end of March. Further details will be published soon. During the webinar, we will walk you through the basic principles of P-BA, using practical examples and key considerations.

### Who to contact

For more information, please contact [Grzegorz Golda](#).

## Recent Events

### Performance in progress: the P-BA journey so far and what's next



📅 20 February 26 | 🟢 Online



# P-BA Teams channel & sharepoint

[join the team](#)

▼ PA Programme and project manage... ⋮

- Announcements and updates
- Artificial Intelligence and Interreg - AI e...
- Capitalisation
- Evaluation and indicators
- Informal working group on indicators
- P-BA in Interreg**
- Small projects community

SharePoint

PA Programme and project management Go to the Team Home

Documents ▾

All Documents  In channels |

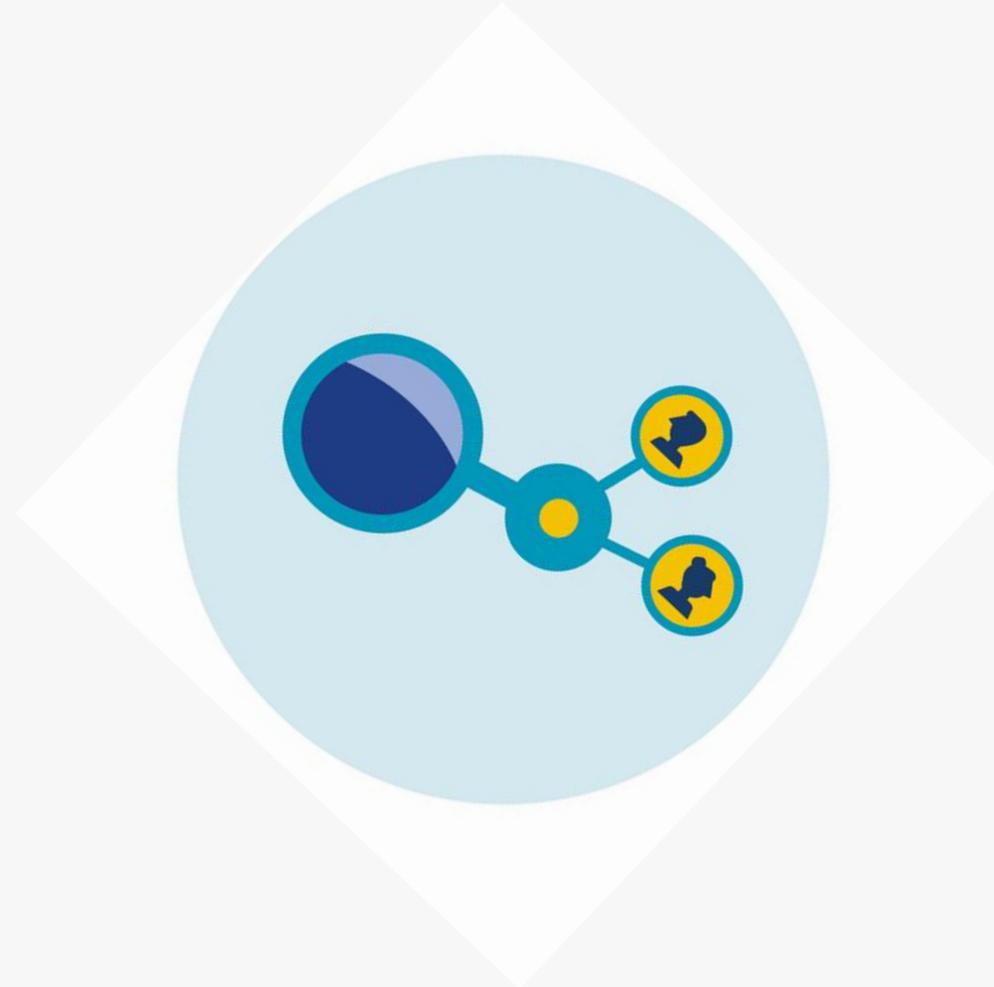
Name ▾	Modified ▾	Modified By ▾
Announcements and updates	March 21, 2025	SharePoint App
Artificial Intelligence and Interreg - AI e...	October 12, 2025	Arkam Ograk   Interact
Capitalisation	March 21, 2025	SharePoint App
Evaluation and indicators	March 21, 2025	SharePoint App
Informal working group on indicators	March 21, 2025	SharePoint App
P-BA in Interreg	Yesterday at 10:53 ...	Kevin Fulcher   Interact
Small projects community	March 21, 2025	SharePoint App



# Looking ahead: What's next for P-BA

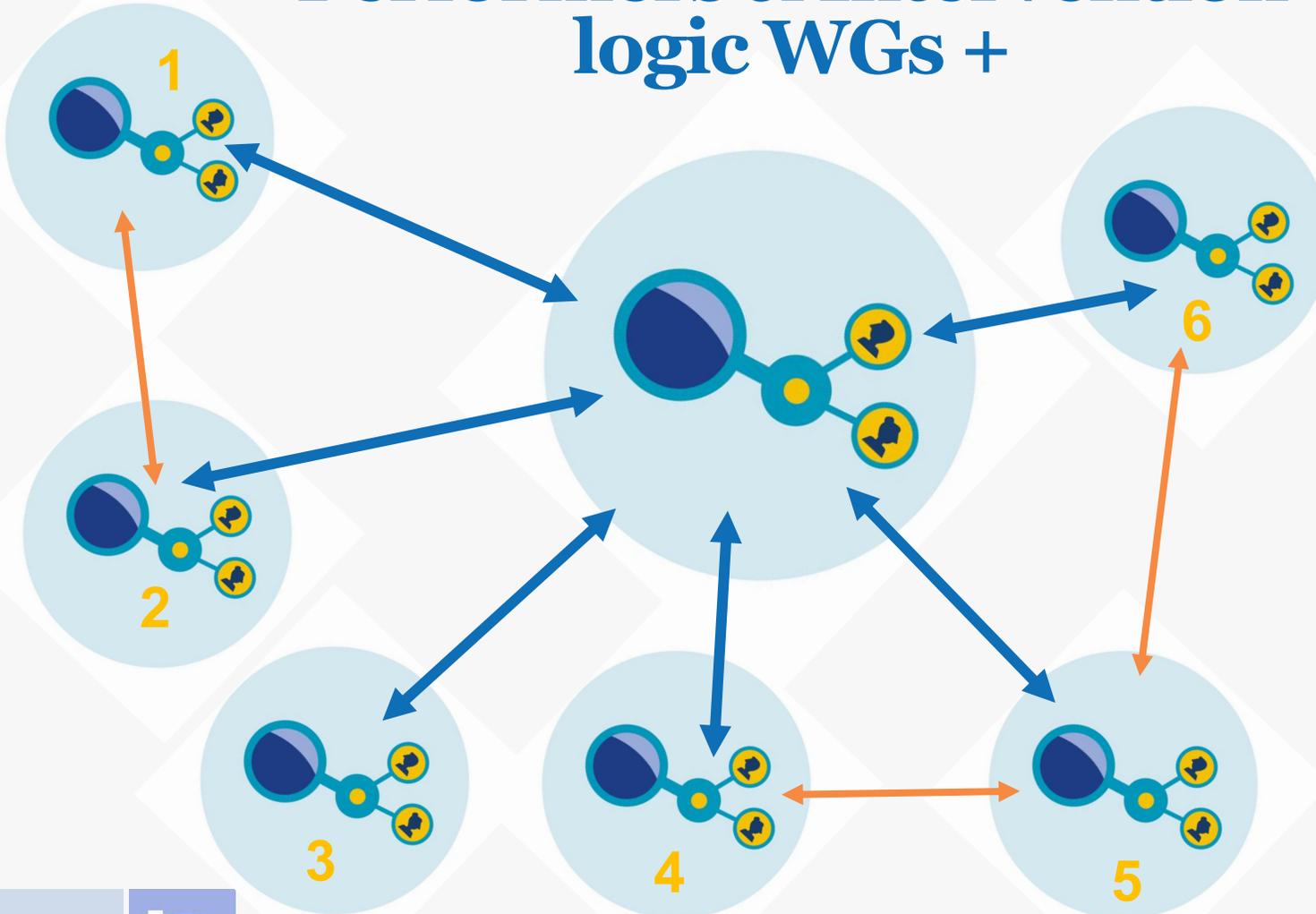


# Performers & Intervention logic WGs



# NEXUS approach

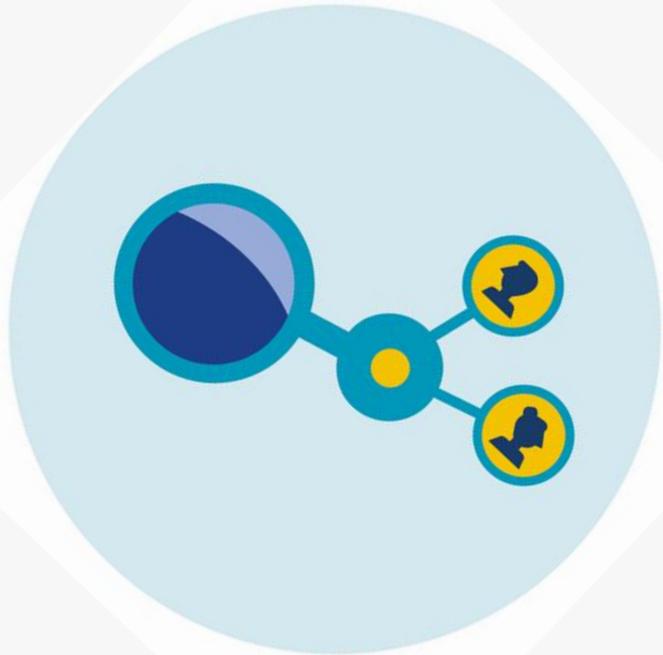
## Performers & Intervention logic WGs +



## Themes

1. Intervention Logic & Programme Design
2. Programme & Project Life Cycle
3. Programme Financial Management (Upper Level)
4. Control and Audits
5. Matching Upper & Lower Levels
6. Other...

# Performers & Intervention logic WGs



## Main tasks:

1. Development of next P-BA measure models
2. Connecting dots and providing broader perspective
3. Searching for clarifications of the post 2027 regulatory framework from the P-BA perspective
4. Following discussions on the development of the post 2027 regulatory framework from the P-BA perspective

# Themes

1. Intervention Logic & Programme Design - **DANI**
2. Programme & Project Life Cycle - **PHIL**
3. Programme Financial Management (Upper Level) - **GREG**
4. Control and Audits - **JASMINA**
5. Matching Upper & Lower Levels - **MACIEJ**



**Everyone is welcome to contribute**

# Intervention Logic (IL)

## Update on the current intervention logic:

- Feedback on changes to the IL due to the regulation
- Practical implementation of IL
- Link between programme and project IL

## Work on indicators:

- Development of measures including indicators etc.
- Discussion of future indicators
- Indicator

Continuous events throughout 2026 (check website and road map PbA)

# Project & Programme Life-cycle

How does P-BA impact on core tasks in the JS such as:

- Launching calls
- Supporting projects in development
- Project selection
- Project monitoring

How does P-BA impact on project types and funding mechanisms such as:

- Small project funds
- ISO1
- Capitalisation
- Territorial approaches

Main work on this theme to begin in Semester 2, 2026

# Programme finance management

Total cost estimation per measure	Setting up pay-out value for M/T	More than one measure	M/T pay-out values – commitments & decommitments	Commitment risk
<ul style="list-style-type: none"> <li>- Value for money - how to calculate?</li> <li>- Is it about costs only or something more?</li> <li>- Would 2021-2027 SCOs set up methods be helpful?</li> </ul>	<ul style="list-style-type: none"> <li>- How many Milestones/interrim Targets is needed for a measure</li> <li>- What is the value of a milestone?</li> <li>- What is the value of a (interrim/final) target ?</li> <li>- What is the acceptable balance between milestones &amp; interrime targets and the final target?</li> <li>- Payment profiles/ How much fronloading ?</li> </ul>	<p>Cashflow profiles for different measures</p> <p>How to plan multiannual programme cashflow based on different measures P-BA payment profiles?</p>	<p>Setting up programme annual commitments based on M/T</p> <p>Advance payments</p> <p>Payment schemes</p>	<p>Risk mitigation measures</p> <p>Annex IV KR 15</p> <p>Payment disruptions, irregularities</p>

Main work on this theme to begin in Semester 1, 2026.

For more info the work plan please check soon, the P-BA webpage and the Interact events.

# Control & Audit

The impact of P-BA on control and audit

Work on this theme to begin in Semester 1, 2026



## Management verifications

(Risk-based management verifications)



## Audit

(fulfilment of milestones and targets; system audits)



## Compliance with applicable law

(public procurement, State aid rules)



## Irregularities

(fraud, corruption and conflict of interest)



## Double funding...

# Matching Upper & Lower Levels

## Context

## Key focus:

P-BA is planned as the only payment mechanism between the EC and Members States /Interreg programmes.

Members States /Interreg programmes are also encouraged to apply the P-BA as the reimbursement scheme to beneficiaries, yet the existing mechanism with simplifications provided by simplified cost options is also allowed.

In practices that might lead to development of two systems on the 'lower-level' depending on programme's choices or even have two mechanism in one programme for different type of measures/projects. With less regulatory framework for the lower level proposed by the EC, this provides more flexibility yet brings more 'how to' question to the table .

Let's start with 'how to connect seamlessly cash flows between 'the upper level' and 'the lower level' for the same payment mechanism or different ones and next we will continue with other topics mentioned in previous four themes.

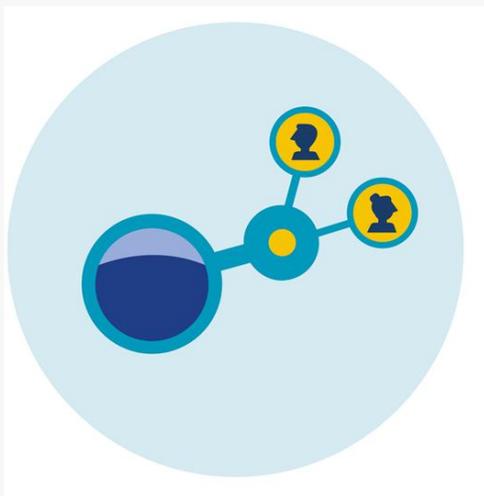
Connecting upper-level with lower-level in the same /different/both mechanism

Key nodes to identify:

- Let's start with cash flows
- What does it mean in practice?
- How to start building the connections?
- what are the other nodes

Main work on this theme to begin in late Semester 2, 2026

# Interact 2026+ work plans



**Nexus approach – WG +Themes**



**P-BA Interreg basics  
webinars (first two editions  
in March....**



**P-BA dedicated webinars &  
events**



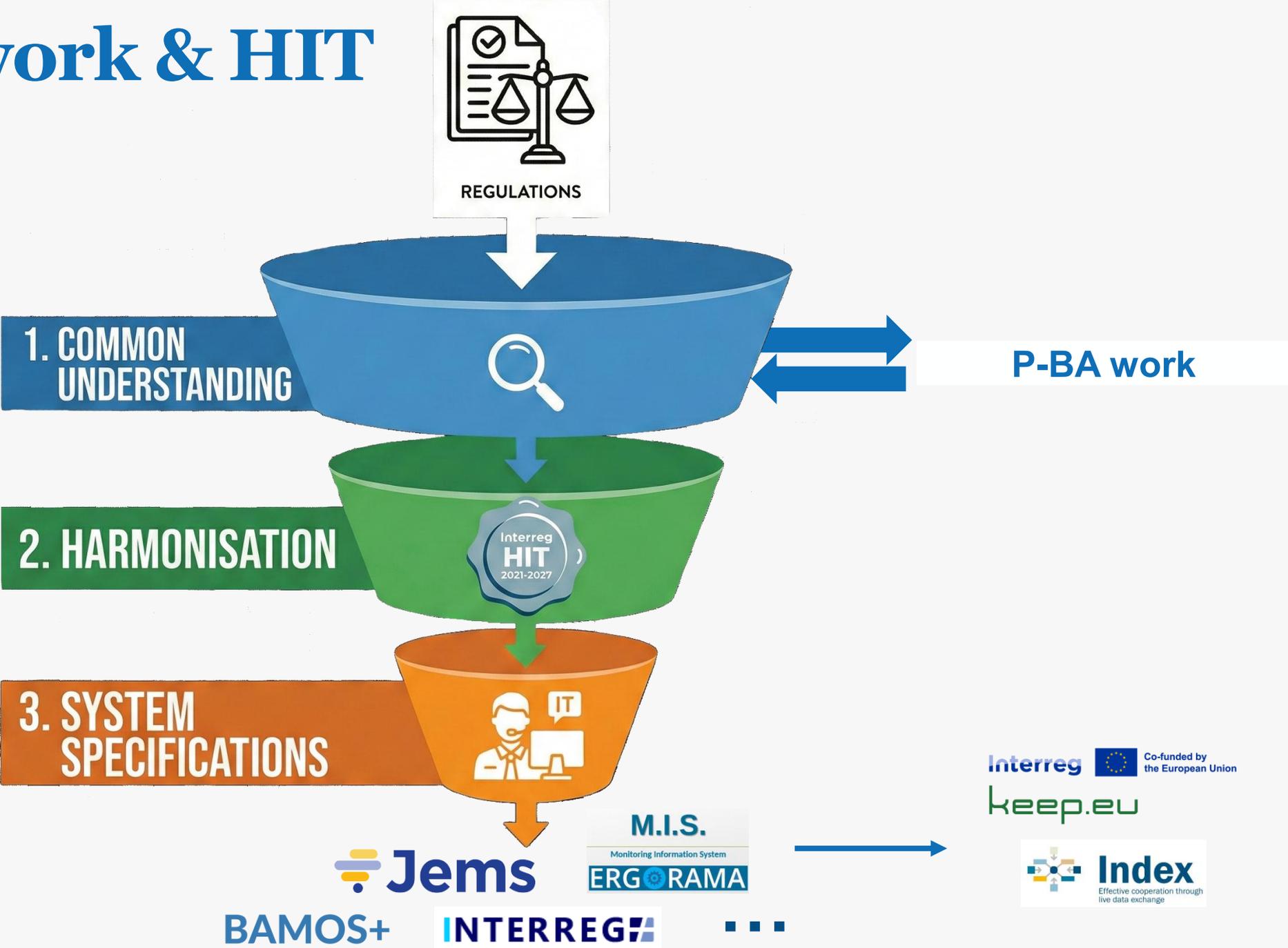
**P-BA dedicated sessions in  
'other Interact events (e.g.  
InterFIN 27-28 May)**



**P-BA and indicators for the future,  
online, 1-6 June,**

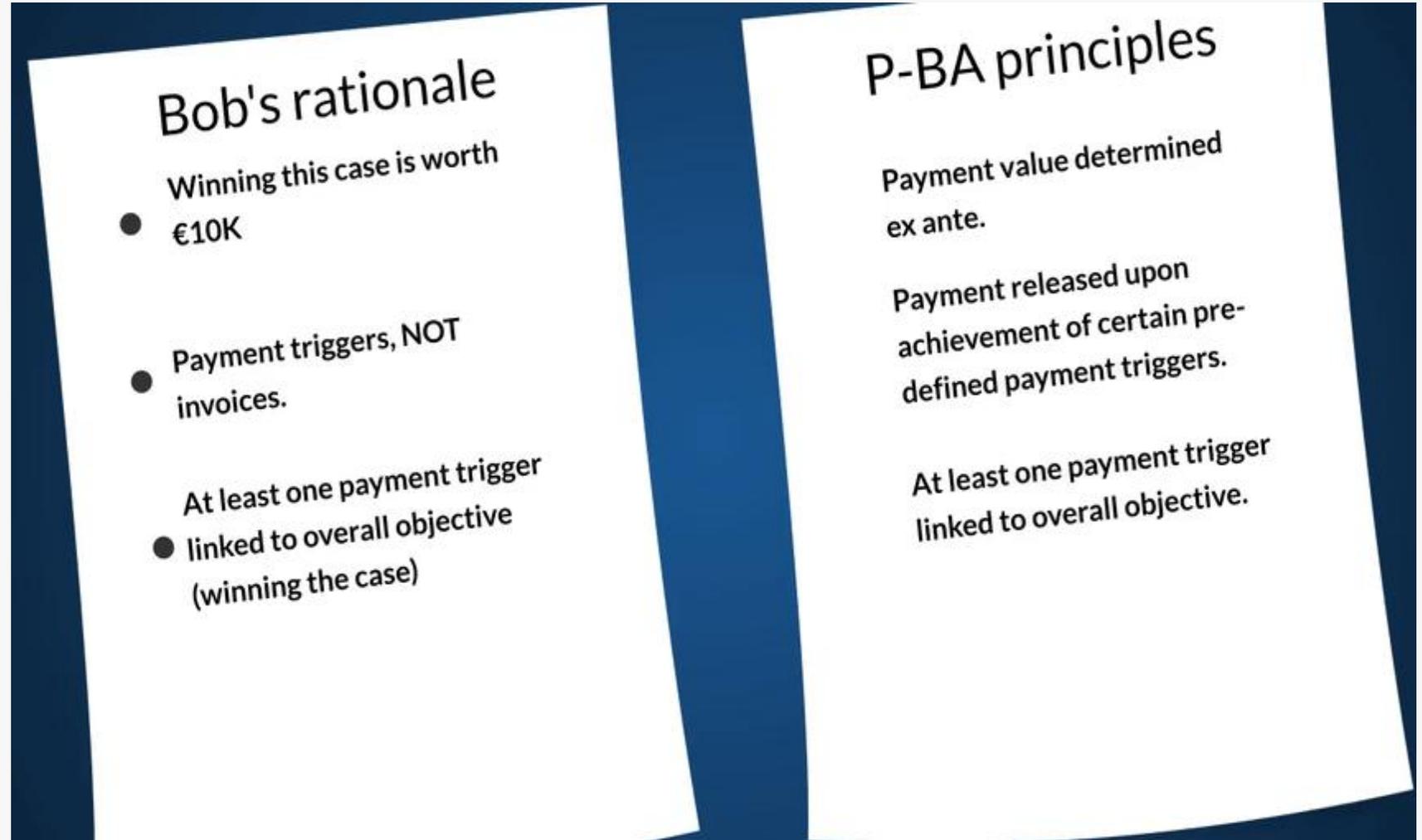
**2 events tbc: Indicator fiches 1 and 2**

# P-BA work & HIT



# Christina's example

## An elementary Performance-based approach experience – IKF Dubrovnik Nov 2025



# Recommended further reading & listening



[Recommendation \(ESF+\) paper on Financing not linked to costs, by the EC](#)



[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](#)



## Performance in progress: the P-BA journey so far and what's next



# Cooperation works

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