

AD&C

Agência para o
Desenvolvimento e
Coesão, I.P.

Interact Webinar

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AD&C · Portugal

**How to measure
total cost estimation?**

**What can we learn from the
current programming period?**

Experiences and lessons coming from FNLC

1. Designing and Implementing FNLC 2021–2027

FNLC Programme Lifecycle

◀ Design and Negotiation Phase

Operational Phase ▶



KEY TAKEAWAYS · From FNLC Negotiation

- Intervention Fields for operations are highly relevant
- FNLC amounts justifications go beyond programme-level justifications
- Indicators are crucial to justify and monitor the FNLC scheme
- Be ambitious on programmes and realistic on FNLC targets
- Alignment required between type of operations, indicators, deliverables, and audit trail
- Common result indicators may not be achievable in time for the final payment claim
- Common indicators across several types of operations may lead to double financing
- Targets for process and implementation indicators can be set below 100%

Indicators as the backbone of FNLC Schemes

01

Start from a clear intervention logic

Define the type of operation, target groups, expected changes and the causal chain linking activities to outputs and results. A well-structured intervention logic is essential to choosing indicators that are relevant, measurable and aligned with programme objectives.

02

Review common indicators

Check the list of common output and result indicators to identify which ones naturally match your intervention logic. Common indicators are usually the first and simplest option, as they come with existing definitions, data collection methods and historical benchmarks.

03

Examine available programme-specific indicators (PSI)

If no suitable common indicator exists, assess whether any existing PSI can serve as an indicator to support conditions or results. Consider their clarity, robustness, and ease of verification. Only if both common indicators and PSI are unsuitable should a new indicator be developed.

04

Define evidence, intermediate deliverables and verification arrangements

For each selected indicator, specify the verification sources, deadlines, and any intermediate deliverables needed to ensure smooth financial flows throughout implementation. Keep the set of indicators simple and avoid unnecessary complexity.

Indicators Database & Indicators Fiches

Indicators Database

Common · Programme · Specific Indicators

- Centralised repository of all output and result indicators
- Covers common (RCO/RCR), programme-specific (PSI), and FNLC-specific indicators
- Enables filtering by type, nature, and Specific Objective
- Accessible through the AD&C programming platform
- Supports selection and consistency checks during FNLC design

Indicators Fiches

Technical documentation per indicator

- Code, designation, unit of measure, type and nature
- Main calculation method (EU-aligned)
- Data sources and collection methodology
- Reporting frequency and intermediate objectives
- Justification for indicator choice and target assumptions
- Financial representativeness at Specific Objective level

Indicator Fiche · 1/2 — Code SO03

DESIGNATION

New, modernised or equipped healthcare facilities

UNIT OF MEASURE

Number

TYPE

Output

NATURE

Specific

SFC CODE

—

MAIN CALCULATION METHOD

Sum of new, modernised or equipped healthcare facilities resulting from supported operations, verified via Final Reports. Facilities and equipment must be operational..

EU Calculation Method

Sum of the number of new, modernised or equipped healthcare facilities resulting from the supported operations, as verified on the basis of the Final Report submitted. Facilities and equipment must be operational, meaning they are in functioning use.

EU Description

Number of new, modernised or equipped healthcare facilities resulting from the supported operations.

Data Sources

Final Reports submitted by beneficiaries.

Data Collection Method

Administrative data collection based on validated Final Reports.

Reporting Frequency

Semi-annual

Justification for the Choice of the Indicator

Taking into account the FNLC model, the indicator created for the result 'New, modernised or equipped healthcare facilities' was considered one of the relevant indicators.

Indicator Fiche · 2/2 — Code SO03

DESIGNATION

New, modernised or equipped healthcare facilities

UNIT OF MEASURE

Number

TYPE

Output

NATURE

Specific

SFC CODE

—

MAIN CALCULATION METHOD

Sum of new, modernised or equipped healthcare facilities resulting from supported operations, verified via Final Reports. Facilities and equipment must be operational..

Assumptions for Target Definition (2029)

For the calculation of the target, the total number of new, modernised or equipped healthcare facilities supported under this FNAC model is considered. By 2030, at least 10 healthcare facilities will be newly built, modernised or equipped.

This value corresponds to the number of distinct hospital centres / local health units to be supported, as defined based on the programming assumptions and a mapping of priority investments. The mapping resulted in a list of priority investments (Calls NORTE2030-2024-38 and NORTE2030-2024-67), to be implemented by 12 different beneficiary entities.

Total Unit Cost

€ 5,882,352.94

Fund Unit Cost

€ 5,000,000.00

Financial Representativeness

100% at SO Level

Other Information / Notes

The target indicated for 2029 is expected to be achieved in 2030, in accordance with the FNLC model associated with this indicator. The financial representativeness of the FNAC at Specific Objective level is 100% (EUR 65.3 million).

1. Designing and Implementing FNLC 2021–2027

Indicator by Type of Operation · PT FNLC Approved 2025

Type of Operation	Process Indicator	Delivery Indicator	Output Indicator	Result Indicator
SO1.1 Technological infrastructures	Signed grant agreements	% of work done	Number of operational technological infrastructures	RCR102 · Jobs created in supported entities
SO2.5 Water management	Signed grant agreements	% of work done	RCO030 Drinking water distribution networks RCO031 Wastewater collection networks RCO032 Additional wastewater treatment capacity	X
SO4.5 Health infrastructures	—	—	Number of operational health infrastructures RCO069 Capacity of new or upgraded health facilities	X

Indicator balance: Process (35%) | Delivery (25%) | Output & Result (40%)

1. Designing and Implementing FNLC 2021–2027

Specific Objectives & Indicators Mobilised by Regional Programme · FNLC Approved 2025

Specific Objective Indicators Mobilised	Norte	Centro	Alentejo	Algarve
RSO1.1 Develop and strengthen research and innovation capacities (ERDF)				
Specific: Fully operational infrastructures, incl. facilities and equipment	●		●	
Specific: Qualified jobs created in supported entities			●	
RCR102: Research jobs created in supported entities	●			
RSO2.5 Promote access to water and sustainable water management (ERDF)				
RCO30: Length of new or improved pipelines in the public water supply distribution system	●		●	●
RCO31: Length of new or improved pipelines in the public wastewater collection system	●		●	●
RCO32: New or improved wastewater treatment capacity / Population equivalent	●		●	●
RSO4.5 Ensure equal access to healthcare, foster resilience of health systems (ERDF)				
Specific: New, modernized or equipped healthcare facilities	●	●		
RCO69: Capacity of new or modernized healthcare facilities	●	●		

Questions from the Commission – some examples

01

Consistency of Cost Justification vis-à-vis Indicators

Implicit under-costing in the indicators

- The total allocation under the SO is not fully reflected in the indicative allocations associated with the indicators
- This discrepancy affects the sound justification of the targets
- It also affects the traceability between the SO financial allocation and the results financed

02

Inconsistent Methodology in the Allocation of IFs to Indicators

Uneven use of IFs 062–066 across programmes for RCO30, RCO31 and RCO32

- Lack of a uniform criterion to differentiate: drinking water supply actions / wastewater collection / wastewater treatment actions
- Inconsistencies across programs in the cost justification underpinning the indicators
- Risk of non-comparable targets across programmes for similar types of investment
- Clear need to clarify and harmonise methodology — may require revision of targets and cost allocations

03

Inconsistent Unit Costs Across Regions

Need to harmonise or justify regional differences

- Unit costs for similar types of operation vary significantly across regional programmes
- Requires either harmonisation of the methodology or robust justification of regional differences

2. Methods for Costing Exercises

01 · Historical and Verifiable Data

BASIS

- Historical datasets
- Administrative data
- Market surveys
- Other reliable and verifiable sources

KEY LOGIC

- Use past or objective data to estimate realistic costs
- Supports a robust costing exercise

EXAMPLE - Education Reform FNLC

- Mapping activities to outputs, results and duration
- Identification of required resources (HR, procurement, delegated tasks)
- Cost estimation using internal/external data, expert judgement, bottom-up costing, EU unit costs
- Aggregation into total operation cost
- Annual cost distribution (with mid-period peak)

02 · Data Already in the Programme

BASIS

- Programme output and result indicators
- Pre-agreed targets at Specific Objective level

KEY LOGIC

- Indicators used not only for monitoring, but also as payment triggers
- Amounts derived from: Programme allocative amounts
- Division of allocation by indicator targets
- Ensures alignment with programme design and sound financial management

EXAMPLE

FNLC scheme targeting marginalised communities: monthly subsidy per community defined based on programme indicators and financial allocations.

03 · Public Expenditure Savings

BASIS

- Expected savings or financial benefits generated by results

KEY LOGIC

- Payments linked to avoided or reduced public expenditure
- Forward-looking, results-based approach

KEY REQUIREMENTS

- Clear causal link between results and savings
- Robust evidence or economic models
- Data to quantify public expenditure savings (e.g. reduced subsidies, social benefits, unemployment support)

What Can We Learn? Experiences and Lessons from FNLC

| 2021-2027 |

PROGRAMME LOGIC

Programs and amounts



Indicators and Calculation Method



Target definitions



Assumptions for target definition
(Costing exercise)

VS

| Post 2027 |

COSTING EXERCISES LOGIC

Intervention Fields and Costing Exercises



Indicators and Calculation Method



Target definition



Programs and amounts

Obrigado

Thank you

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