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PBA workshop

Merike Niitepõld | 14-15 October
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State of play

- The JPC has started its work in early October
- Only the first discussions on thematic areas have been launched
- No information yet on Specific objectives or measures to be chosen, or how they will be set up
- No information on programme budget
- Guidance given from Member States: a focused, result-oriented programme using simplifications and with a limited number of measures for efficiency.
- Internal work ongoing to build shared knowledge of strengths, weaknesses, opportunities and risks of the different PBA options

Timeline 2027

- January - Measures are foreseen to be known
 - February - Setting up working groups
 - Spring - Working groups, JPC, external experts, stakeholder hearings
 - September - Programme document ready
 - December - Submission
-
- Call to open ASAP

For whom do we do this?

- Commission - meeting regulatory requirements
- The applicants and projects - reaching results in the most cost-effective and simple way
- Ourselves - doing a good work and being motivated

Learning by doing

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
Target 1 Number of enterprises supported – by micro, small & medium, large; number	0	90 <i>Number to be set based on estimated number of projects approved in the first call and their contribution</i>	Target 1 Q4 2034 (or 2035?)	Target 1 The target is defined as number of unique companies selected and actively participating	Pay-out value 20% of measure budget should be amount

- Testing what goes where
- Internal logic
- What questions are difficult to answer?

Costing methodology

- Top-down
- Bottom-up

- Internal work
- Expert working groups
- External expertise

Underlying assumptions

- ERDF for programme 150 meur
- 5 measures chosen, with different scopes
 - (average 30 meur)
 - one intervention field. NB! This is different from now, when we've actually had 11 intervention fields.
- Balance of measures on programme level: different timing of output indicators
 - First interim target as early on as possible.
- A mix of Intervention fields
 - Maybe no 142 at all

Top-down

- Total available budget
- Chosen measures
- Importance of each measure, % allocated

Bottom-up for indicators

- Historical data main source (sometimes several programming periods)
- Especially for identical or similar measures
- SCOs as basis
- Validation by stakeholder experts in working groups
- Validation by external experts foreseen

Information available

- The budget for similar interventions in 2021-2027 (or even longer)
 - The average budget size
 - The average cost of one output
 - ...
- Trends become visible

External experts

- The sources used by the external experts were...
- Should we look at other, similar funding programmes?
- Should there be a study of beneficiary needs?

Aspects to consider

- Inflation - prognosis of 2% of the European Investment Bank
- National or regional adjustments - possible to some extent
- Exchange rate - Sweden?

Main risks and concerns

- Financial and cash-flow risks, especially if payment is made only after milestones are reached.
- Disproportionate risk for smaller organisations and third-sector partners.
- Innovative or ambitious projects may be discouraged because their results are less predictable.
- One partner's underperformance could affect the entire project consortium.
- Milestones and targets may be difficult to define, interpret and verify fairly.
- More demanding project preparation, budgeting, management and partner coordination.

Points to consider

- Set realistic, achievable and meaningful milestones that projects can influence.
- Focus on genuine results and impact, not only easily measurable activities.
- Establish clear, simple and harmonised verification rules.
- Provide advance or intermediate financing to safeguard partner cash flow.
- Consider combining performance payments with a level of baseline financing.
- Offer training, practical guidance, good-practice examples and budgeting tools.
- Define partner responsibilities clearly and strengthen project monitoring.
- Consider rewarding projects that exceed targets, rather than focusing only on reductions for underperformance.

What is needed for success?

- Realistic and achievable milestones and targets.
- Clear, simple and harmonised verification rules.
- Advance/intermediate payments to support cash flow.
- Training, guidance and practical examples.
- A balanced model combining performance incentives with manageable financial risk.

Open questions

- Use of external experts
- Usefulness of working group stakeholders
- What goes to methodology and what to justification section
- What level of detail is accepted

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Thank You!



Varsinais-Suomen liitto