ArtCo 2025 – The Art of Cooperation
Budapest, 2–3 December 2025

Workshop #1: Interreg Challenges and Perspectives 2028-2034 with Special Focus on the Performance-based Approach

The workshop welcomed the fact that Interreg will continue under the new legislative framework, with a substantial financial envelope of approximately €10.26 billion, confirming its **strong European added value** after 35 years of successful cooperation. Panel members expressed hope that remaining elements of the draft regulation (COM(2025) 552 final) can still be adjusted during the ongoing legislative negotiations to ensure feasibility and acceptance across all programmes and participating countries.

Participants noted that the new Interreg regulation and the proposed Interreg Chapter template are significantly shorter and less detailed than the current framework (Regulation (EU) 2021/1059). Further clarification is expected through an implementing act foreseen under Article 9(1). This reduced level of prescription may offer greater flexibility for programmes, which is particularly important for cooperation programmes involving accession and candidate countries. At the same time, concerns were raised about increased legal uncertainty and the risk of national "gold-plating." Panelists therefore underlined the importance of retaining certain well-functioning provisions from the current period—most notably rules on simplified cost options—in the forthcoming implementing act.

A central theme of the discussion was the shift towards a **performance-based approach** (PBA), reflecting a broader change across all EU funds from expenditure-based management towards a stronger focus on results and achievements. While participants acknowledged that this shift requires a significant change in mindset, they also emphasised that Interreg realities differ markedly from those of mainstream, investment-oriented cohesion programmes. **Interreg projects** are typically **innovative**, **non-standardised**, and implemented across multiple countries, often with limited or highly specific investments and a strong focus on capacity building.

From a programme perspective, there is broad acceptance that a performance-based approach will be part of the future framework at the upper level between the European Commission and programmes. However, **significant concerns** remain regarding its practical and legal feasibility. Since Commission reimbursements would be linked to the achievement of milestones and targets rather than to actual expenditure, questions arise about financial commitment and cash flow when subsidy contracts are signed. In a multi-country context, it is unclear who would bear financial responsibility if milestones are not met. Participants stressed that this is not merely an administrative issue but a legal and budgetary one, requiring early and close involvement of Member States.

At the lower level between programmes and projects, there was strong consensus that applying a performance-based approach is not feasible for Interreg and could undermine project quality and innovation. Programmes therefore strongly advocated **maintaining**

simplified cost options (alongside real costs) **at project level**. The draft regulation currently leaves this level to programme discretion, which was welcomed, but programmes called for clarity and safeguards to avoid indirect pressure towards performance-based project financing.

Further challenges discussed included the requirement for ex-ante planning of achievements and costing for each measure, milestone, and target, to be included in the Interreg Chapter and confirmed by audit authorities. Participants questioned the feasibility of reliable ex-ante cost estimations, the capacity of audit authorities—already heavily burdened with current-period tasks—and the risk of divergent interpretations by managing authorities, audit authorities, and the Commission.

On programming for 2028–2034, most programmes have already started or plan to start preparations in early 2026, despite the still-evolving legal framework. Initial steps include setting up programming committees, conducting territorial analyses, and coordinating with Member States and partner countries. The Commission encouraged early programming and confirmed that orientation papers for each Interreg Chapter, including territorial analyses based on ESPON data, are planned for summer–autumn 2026. While future cooperation topics largely remain unchanged, programmes were encouraged to refocus their intervention logic on clearly defined territorial needs and expected changes.

Finally, the discussion highlighted **governance and participation in shaping the new framework**. While platforms such as Interact's performance group provide valuable technical input and peer exchange, participants stressed the **need for stronger, more visible, and more formalised structures** that allow programmes to develop shared positions and channel coherent messages to Member States and EU legislators. While only the Council working group can provide validated, official answers, early and coordinated engagement between programmes, Interact, Member States, and the European Commission was seen as essential.

Overall, the discussion reflected cautious optimism. Participants recognised the performance-based approach and the end of thematic concentration as a challenge to rethink intervention logic and better align programmes with territorial needs—provided that flexibility, legal certainty, and Interreg-specific solutions are ensured. The workshop concluded with a shared commitment to cooperation, transparency, and constructive dialogue to ensure that Interreg remains a successful and credible policy instrument in the next programming period.