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Performance-Based Delivery and Administrative Burden: Preparing Albania for EU Cohesion Policy

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ABSTRACT: The European Commission's proposed 2028–2034 architecture would achieve agreed milestones and targets, rather than certification of incurred expenditure, the principal trigger for payments under National and Regional Partnership Plans. The model is presented as a route to simplification and stronger performance orientation. This paper examines whether it is also likely to reduce administrative burden. Using qualitative document analysis and conceptual synthesis of recent academic and institutional literature on Cohesion Policy, the Recovery and Resilience Facility and performance budgeting, the paper develops a Performance-Delivery Burden Framework. It identifies eight interrelated burden categories: performance design, data production, coordination, verification, adaptation, financial risk, accountability and capability transition. The analysis shows that the proposed model may simplify part of the Commission–Member State reimbursement relationship while relocating administrative effort towards strategic specification, evidence production, cross-government coordination and risk management. For Albania, these requirements are likely to be particularly demanding because accession would require simultaneous development of data systems, specialized expertise and inter-institutional routines. The paper concludes that the new model represents a transformation rather than a straightforward reduction in administrative effort.

KEYWORDS: Cohesion Policy, performance-based financing, administrative burden, National and Regional Partnership Plans, administrative capacity, Albania

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Introduction

The European Commission's proposals for the 2028–2034 Multiannual Financial Framework envisage a major change in the delivery of EU funds. Each Member State would prepare a National and Regional Partnership Plan (NRPP), integrating reforms and investments across several policy fields. Payments would be linked primarily to the satisfactory fulfillment of agreed milestones and targets rather than to the declaration and certification of incurred expenditure ((COM(2025) 565 final, 2025); (COM(2025) 545 final, 2025)). The proposal extends to a much broader policy architecture a logic already tested through financing not linked to costs and, most visibly, through the Recovery and Resilience Facility (RRF).

The Commission presents this shift as a means of simplifying financial management, increasing flexibility and strengthening the focus on results. Yet simplification at one level of governance does not necessarily reduce the total administrative effort required across the delivery system. Removing or reducing transaction-level expenditure checks may generate new tasks: objectives must be converted into measurable commitments; baselines and verification methods must be negotiated; performance data must be produced and validated; responsibilities must be coordinated across institutions; and non-achievement may create direct payment and cash-flow risks. The central research problem is therefore not whether the proposed model removes particular procedures, but how it changes the object, timing, institutional location and risk profile of administrative work.

This issue is especially relevant for accession countries. Albania would need to prepare not only for the substantive obligations of Cohesion Policy but also for an administrative model requiring mature data systems, credible inter-ministerial coordination and specialized performance-management expertise. The paper contributes by developing a taxonomy of the burdens generated by performance-based delivery and by applying it as an institutional-preparedness framework for Albania.

Research Aim and Research Questions

The paper aims to examine how the proposed performance-based delivery model transforms administrative effort in EU funds management and to assess the implications for Albania as an acceding country. It addresses three questions:

i. How does the model change the object, timing, location and risk profile of administrative work compared with expenditure-based reimbursement?
ii. What categories of administrative burden are created or intensified by performance design, monitoring, verification and conditional payment?
iii. Which burdens are likely to present the greatest institutional challenges for Albania?

The study uses a qualitative conceptual and documentary design. It analyses the Commission's 2028–2034 legislative proposals and related institutional material, recent European Parliament and European Court of Auditors publications, and peer-reviewed research on Cohesion Policy administrative capacity, RRF governance and performance budgeting. Requirements are coded according to their source, responsible actor, timing, evidence needs and consequences of non-compliance. The resulting categories are synthesized in a Performance-Delivery Burden Framework (PDBF). Administrative burden is understood here as mandatory effort associated with information, coordination, documentation, control and accountability requirements. It is distinguished from administrative capacity, which denotes the ability to perform these tasks, and from administrative cost, which is their monetary valuation.

Literature review and analytical gap

A first strand of literature establishes that administrative capacity is a central determinant of Cohesion Policy performance. Bachtler et al. (2024) conceptualize capacity as multidimensional, encompassing organizational arrangements, human resources, coordination and implementation experience. Mendez & Bachtler (2024) show that quality of government is associated with differences in compliance, absorption and achievements across EU regions. This literature indicates that delivery systems cannot be assessed solely by formal rules: identical obligations can yield very different effects depending on institutional capability.

A second strand concerns simplification. Bachtler et al. (2026) define simplification as a reduction in the administrative, legal and procedural burden of designing, managing, implementing, monitoring and auditing EU-funded interventions. This involves making the system easier to use and more predictable for all actors involved, including managing authorities, other relevant bodies and beneficiaries. Successive reforms have introduced harmonized rules, simplified cost options and financing not linked to costs. However, recent Commission and EPRC studies distinguish legal or procedural simplification from an actual reduction in the resources used by administrations and beneficiaries ((Hassan, et al., 2025); (Gal & van der Valk, 2025)). Simplification can also redistribute work between actors or move controls upstream. The relevant unit of analysis is therefore the full policy cycle rather than the number of documents submitted to the Commission. Recent European Parliament studies warn that the proposed 2028–2034 architecture may streamline EU-level procedures while increasing implementation complexity, centralizing decisions and weakening territorial involvement ((Bachtler et al. (2026)); (Rubio & Alcidi, 2026). Performance-based instruments likewise shift effort towards adapted budgetary control, design, evidence and verification rather than eliminating administrative work (Begg, et al., 2025)

A third strand analyses performance-based EU governance through the RRF. Research identifies a dual effect. National plans may strengthen political ownership and central coordination, but conditional payments also require intensive ex ante negotiation and formal ex post verification of predetermined commitments. Zeitlin et al. (2025) describe tensions between national ownership and the increasingly mechanical verification of milestones and targets, while Bokhorst and Corti (2024), highlight the combination of discretion in plan design and discipline through conditionality. The model can concentrate authority in central executives and modify the role of parliaments, regional authorities and traditional shared-management institutions.

A fourth strand comes from performance budgeting and evaluation. OECD work stresses that outcome-oriented systems require limited and meaningful indicators, credible information, clear responsibility and flexibility where causal links between public action and outcomes are uncertain (OECD, 2025b)). Rigid payment links may encourage gaming, conservative target selection or concentration on what is easily measurable. The European Court of Auditors has similarly found that earlier performance instruments in Cohesion Policy changed implementation approaches but did not noticeably alter the allocation or disbursement of funding, and has warned that performance-based models create specific assurance risks, including double funding ((European Court of Auditors, 2021); (European Court of Auditors, 2024)).

The analytical gap lies in connecting these literatures. Existing work discusses capacity, simplification, performance verification and governance separately. It rarely treats them as components of one transformed burden structure. The PDBF addresses this gap by identifying not only which administrative tasks arise, but also where and when they arise and what happens if they fail.

Performance-Delivery Burden Framework

The proposed model may simplify the Commission–Member State reimbursement relationship by reducing reliance on declarations of actual expenditure and some associated transaction-level checks. Nevertheless, it creates or intensifies eight interdependent forms of administrative burden.

*Performance-design burden***:** translating policy objectives into indicators, baselines, milestones, targets, sequencing rules and verification methods. It is heavily front-loaded, and poor design can later generate disputes, perverse incentives or payment delays.

Data-production burden: establishing timely, reliable and interoperable data flows; assigning data ownership; validating information; and retaining traceable evidence. The burden shifts from proving that costs were incurred to proving that a pre-agreed condition was achieved.

Coordination burden: allocating responsibility across finance ministries, line ministries, regional authorities, implementing bodies and data owners. Integrated plans may reduce the number of formal programs while increasing the density of inter-organizational dependencies.

Verification burden: defining acceptable evidence, validating performance claims, maintaining audit trails, preventing double funding and responding to Commission and audit scrutiny. Assurance changes its object but does not disappear.

Adaptation burden: amending plans, revising targets and reprogramming when shocks or implementation problems make original commitments unrealistic. Excessive rigidity can delay delivery, whereas frequent renegotiation can consume substantial administrative resources.

Financial-risk burden: managing exposure to payment suspension or reduction, bridge financing and milestones dependent on actors beyond the direct control of the coordinating authority.

Accountability burden: maintaining partnership, regional participation, transparency and political scrutiny within a more integrated national plan. Central coordination may improve coherence but can also weaken territorial ownership.

Capability-transition burden: recruiting and training specialized staff, redesigning organizations and digital systems, and operating both old and new delivery arrangements in parallel during the transition period.

The framework also distinguishes three temporal forms of burden. Burden stock consists of one-off investments in regulation, methodologies, systems and organizational redesign. Burden flow is the recurrent work of monitoring, coordination, reporting and verification. Underperformance, disputes, audits, amendments or payment interruption activate contingent burden. This distinction explains why annual reporting hours alone may underestimate the administrative implications of the new model.

Table 1

Transformation of administrative effort under performance-based delivery

Dimension	Expenditure-based reimbursement	Performance-based delivery
Object	Eligibility and legality of expenditure	Achievement and verification of milestones and targets
Timing	Predominantly recurrent and ex post	Strongly front-loaded, followed by periodic verification
Institutional location	Managing, reporting and audit functions	Strategic centres, line ministries, data owners and coordinating bodies
Expertise	Accounting, procurement and eligibility control	Policy design, indicator methodology, data analysis, evaluation and negotiation
Principal risk	Financial correction for irregular expenditure	Payment delay, suspension or reduction for non-achievement or insufficient evidence

Source: Author elaboration.

Implications for Albania

The framework suggests that Albania's greatest challenge would not be formal transposition of rules but the construction of a credible performance-governance system. Four capacity variables are decisive. First, institutional fragmentation increases coordination burden when milestones depend on several ministries, municipalities or agencies. Clear ownership, escalation routes and a strong centerof-government function would be required. Second, limited data maturity increases the risk of weak baselines, delayed reporting and unverifiable achievement. Preparation should therefore include inventories of administrative data, common definitions, quality protocols and interoperable systems.

Third, the model requires specialized skills that differ partly from traditional expenditure management: intervention logic, indicator design, evaluation, data analytics, verification methodology and negotiation. Training should be combined with stable career structures, because reliance on temporary project staff would weaken institutional memory. Fourth, Albania would need capacity to absorb financial risk. If national expenditure proceeds but an EU payment is delayed because a milestone is not accepted, the national budget may have to provide temporary financing. Contingency arrangements and conservative sequencing are therefore part of administrative preparedness, not merely fiscal management.

These constraints also create a risk of defensive administration. To avoid payment failure, institutions may select easily measurable milestones, impose redundant documentary checks or reproduce transaction-level controls alongside new performance requirements. Nominal simplification could thus produce parallel compliance systems. Preparatory assistance should focus on proportional verification, data reliability and realistic target design rather than on multiplying procedures.

Conclusions

The proposed performance-based delivery model constitutes a transformation in the administrative logic of EU funding. Its principal innovation is not simply the wider use of indicators, but the replacement of expenditure as the main trigger for EU payment by verified achievement of agreed milestones and targets. This may simplify part of the financial reimbursement process, yet it does not follow that the total administrative effort will decline.

The PDBF shows that work is redistributed across performance design, data production, coordination, verification, adaptation, financial-risk management, accountability and capability transition. Compared with expenditure-based reimbursement, this effort is more front-loaded, more data-intensive, more dependent on cross-government coordination and more directly linked to cash-flow risk. Responsibility also moves beyond traditional managing and audit authorities towards line ministries, data owners, strategic coordinating bodies and political decision-makers.

Accordingly, the model should be understood as administrative transformation rather than straightforward burden reduction. A system is not genuinely simpler merely because it verifies fewer invoices. It is simpler only if the combined cost of designing, producing, coordinating and validating performance information is proportionate to the public value generated. Future simplification assessments should therefore measure total effort across the policy cycle, identify where it is relocated and test whether new requirements improve decisions and outcomes.

For Albania, preparedness requires early investment in indicator methodologies, interoperable data systems, ownership of cross-sector commitments, independent verification capacity and contingency planning for payment delays. Further research should test the taxonomy through interviews and comparative analysis of Member State experience with the RRF and financing not linked to costs. Such work could determine whether performance-based financing produces sustained organizational learning or a new compliance system centered on milestones, indicators and documentary evidence.

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