THE EU RESEARCH & INNOVATION PROGRAMME

2021 – 2027

LUMP SUM FUNDING IN HORIZON EUROPE

INFO DAYS WP 2023/2024

EUROPEAN COMMISSION, DG RTD
Common Implementation Centre

European Commission

Research and Innovation

Why do we use lump sum funding?

Reducing the financial error rate

- Following the ECA annual reports 2019 and 2020, there is wide agreement that the error rate in the R&I Framework Programmes must be reduced
- Lump sums are a key measure to achieve this in Horizon Europe

Significant simplification potential

- Lump sums remove the obligation to report actual costs and resources
- Easier to use for beneficiaries with limited experience
- Funding based on reimbursement of real costs remains complex and error-prone. Little scope for further simplification

Focus on content

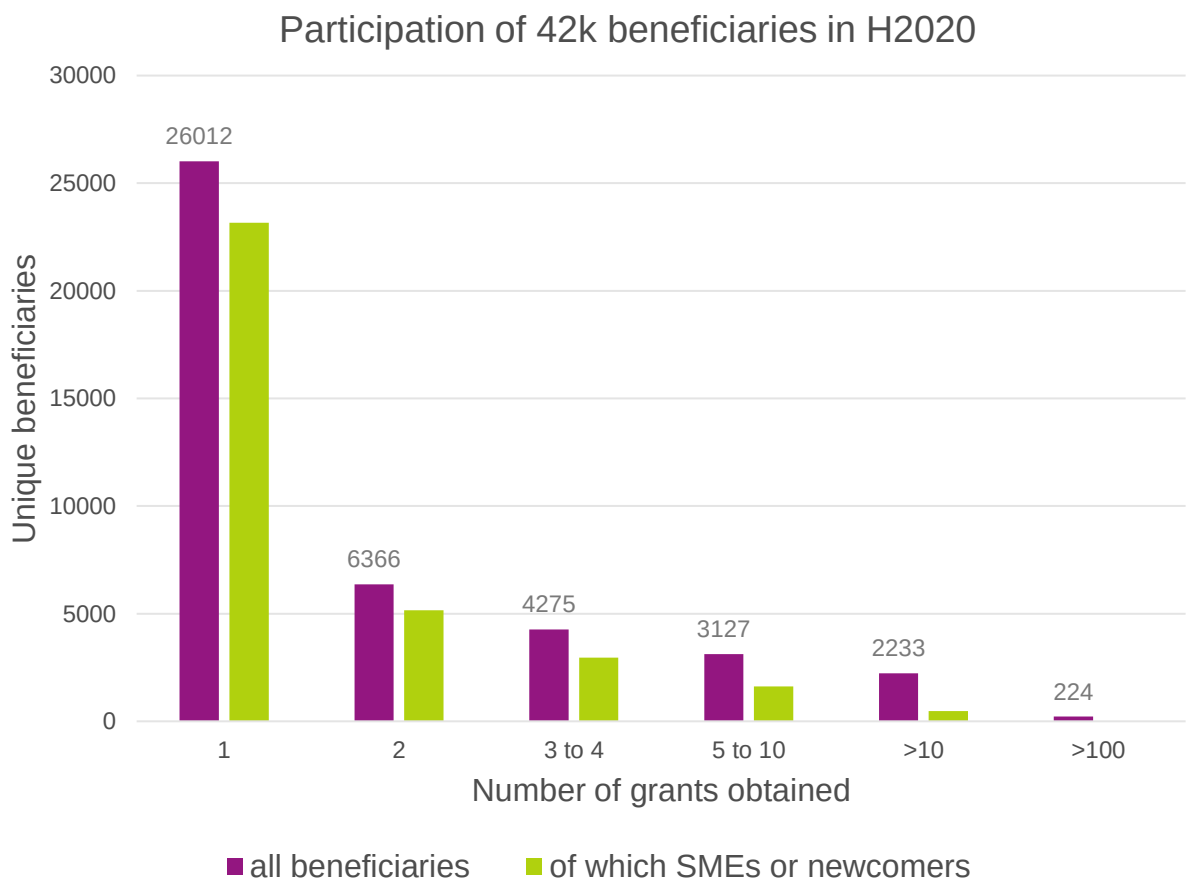
- Focus less on financial management and more on content

Why do we use lump sum funding?

Easier access to the programme

- Very small share of beneficiaries have more than 100 grants:
  - Large entities
  - Dedicated staff and procedures to deal with actual costs

- Vast majority of beneficiaries have only 1 or 2 grants per programme
  - Most of them SMEs or newcomers
  - Little or no previous experience
  - Need a simple funding model



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Basic principles

- **Lump sum grants follow the standard approach as much as possible**

  same: templates, evaluation criteria, payment scheme, technical reporting
- **One lump sum share per work package and beneficiary**
- **Very simple financial reporting**
- **Lump sum shares paid upon completion of work packages**

	WP1	WP2	WP3	WP4	WP5	WP6	WP7	WP8	Total
Beneficiary A	250.000			50.000	300.000	250.000		300.000	1.150.000
Beneficiary B		250.000	350.000	50.000			100.000	150.000	900.000
Beneficiary C	100.000	100.000		50.000		280.000			530.000
Beneficiary D		120.000		50.000			100.000	150.000	420.000
Total	350.000	470.000	350.000	200.000	300.000	530.000	200.000	600.000	**3.000.000**

Shares of the lump sum per beneficiary

Share of the lump sum per WP

Lump sum = Maximum grant amount

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Writing a lump sum proposal

- To write a lump sum proposal, applicants:
    - Use the standard Horizon Europe application form
    - Present the objectives and methodology of their project and address the expected outcomes and impacts as in any Horizon Europe proposal
    - Describe in detail the activities covered by each work package.

- To define and justify the lump sum, applicants must provide a **detailed budget table** with cost estimations.

- The detailed budget table is an **Excel file**. Applicants download it from the online submission system, fill it and submit it as an annex to the Part B application form.

Writing a lump sum proposal – detailed budget

- In the detailed budget table, applicants provide **cost estimations for each cost category** per beneficiary (and affiliated entity if any) and per work package.

- The cost estimations must be an **approximation of their actual costs.** They:
  - are subject to the same eligibility rules as in actual costs grants
  - must be in line with applicants' normal practices
  - must be reasonable / non-excessive
  - must be in line with and necessary for the proposed activities.

- The cost estimations are used to generate in the detailed budget table a **breakdown of lump sum shares** per work package and per participant.

- Details and instructions on how to fill in the lump sum detailed budget table are provided in the Funding & Tenders portal.

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Project design – Work packages

Work package distribution

As many as needed but no more than what is manageable

A work package (WP) is a major sub-division of the work plan of the project.

- A single activity is not a WP
- A single task is not a WP
- A % of progress is not a WP (e.g. 50 % of the tests)
- A lapse of time is generally not a WP (e.g. activities of year 1)

Work packages with a long duration may be split along the reporting periods (e.g., Management, Dissemination and Exploitation, etc.). In this way, the relevant activities can be paid at the end of the reporting period.

Evaluation of a lump sum proposal

- Proposals will be evaluated by independent experts against the **standard evaluation criteria**: excellence, impact, and implementation.

- The cost estimations will be assessed against the proposed activities under the **implementation** criterion.

- Experts will:
  - ensure that the cost estimations are **reasonable and non-excessive**
  - evaluate whether the proposed resources and the split of the lump sum **allow completing the activities described in the proposal**.

- If the experts find overestimated costs, they make **concrete recommendations** on the budget that are recorded in the Evaluation Summary Report. This will be reflected in a modified lump sum amount in the grant agreement.

- Cost estimations that are clearly overestimated or underestimated lead to a **decreased score** under the implementation criterion.

Resources available

One dedicated **lump sum page** on the Funding &Tenders Portal with:

Guidance documents	• What do I need to know? & Quick guide • Frequently asked questions • Detailed guidance for applicants and beneficiaries • Lump sum briefing slides for experts
Reference documents	• Model Grant Agreement Lump Sum • Decision authorising the use of lump sum contributions under the Horizon Europe Programme
Studies	• European Commission assessment (October 2021) • European Parliament (STOA) study on lump sums in Horizon 2020 (May 2022)
Events	• Future events • Past events and recordings
Funding opportunities	• List of Horizon Europe topics using lump sum funding

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Overview lump sum topics (search)

Opportunities

The search function below allows you to display and go to any lump sum topics published. By default all lump sum topics in Horizon Europe are displayed. You can apply filters to view specific subsets of lump sum topics. After applying your filters, the search results are updated accordingly.

Calls for proposals in Horizon Europe consist of one or more topics. If a topic uses lump sum funding, only lump sum proposals can be submitted, and all grants selected will be lump sum grants.

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Next steps

Improvements

- Higher page limit for lump sum proposals (from work programme 2023)
- Improved Excel tool for lump sum budget table
- Collection of best practices from lump sum beneficiaries (coming soon)

General

- Continuous monitoring of lump sum grants, adjustments if necessary
- Stepwise phasing in:
  - 27 lump sum topics in 2022
  - First significant wave of lump sum topics in 2023-2024

Thank you!

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http://ec.europa.eu/horizon-europe

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